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## LIVESTOCK AND FEED PROCUREMENT

### ARTICLE ON BELORUSSIAN MILK PRODUCTION SPARKS RESPONSE

Minsk SELSKAYA GAZETA in Russian 15 Jan 87 p 2

[Letters to the Editor from M. Dergachev and I. Nikitchenko, deputy chairmen of BSSR Gosagroprom, and others: "The Reader Continues the Discourse - In Search of the Optimum Variant": Referenced item, "In Search of the Optimum Variant," was published in USSR REPORT: NATIONAL ECONOMY, JPRS UNE-86-012, 12 Dec 86, p 61; first paragraph is source introduction]

[Text] Under the heading "In Search of the Optimum Variant," an article was published in SELSKAYA GAZETA on 3 October 1986 with the sub-heading, "Presenting the Problem." It aroused the interest of our readers. They present their views on the problem. Their opinions -- each in its own way can be questioned -- are sometimes similar and sometimes clashing. But an expanded conversation, a clash of positions, no doubt will be useful in this matter.

#### A New and Efficient Way

I read the article "In Search of an Optimum Variant" and other publications in a continuation of the conversation that had begun and thought, "Your newspaper is not only informative, but also a propagandist and a spreader of information that is new, interesting and progressive.

Animal husbandry has long needed restructuring. First and foremost, I think that inexperienced people should not interfere, not insist on and not indicate what they think is needed in order to derive higher milk yields and fatter animals. This must be done by highly qualified specialists who are well versed in and devoted to this matter.

I'd like the newspaper to raise these questions and force everyone to think and do everything in a scientifically substantiated way, not by some means of wordy assurances and sham figures in reports, so that true science is instilled in industry, so that there's an end to extravagant and non-intensive

methods in agricultural management and so that more comprehensive and reasonable means to develop agriculture in a new and efficient way are identified.

- A. Timofeyev, a pensioner and former veterinarian at the Kolkhoz Rassvet imeni K. P. Orlovskiy in the Kirovskiy Rayon

#### The Heart of the Matter

[Text] Previously SELSKAYA GAZETA published many articles from distinguished exemplary workers in this branch on their progressive experiences. But they were relatively mild and even in raising those very questions, at times they were not, as they say, able to stir any life. And then there was the strong article in the newspaper. To some it may not have been pleasant. Of course, opportunists with ambitions attempt to justify themselves and their work and to protect their prestige. Well then, this is also useful whenever a meaningful dialogue is carried out not in the quiet of a laboratory, but in an open newspaper forum. This contributes to expressing the truth and to accelerating the restructuring of the most important branch of the national economy, as required by the decisions of the 27th CPSU Congress.

- G. Miftakhov, agronomist

#### That's Not Objective!

Having become acquainted with the article "In Search of the Optimum Variant," published in SELSKAYA GAZETA, we believe that the material on the development and introduction of a means of early diagnosis of pregnancy in cows is stated non-objectively. We have sent a detailed, eight-page explanation to this question.

- D. Ivanov, deputy director of the Belorussian Scientific Research Institute of Experimental Veterinary imeni S. N. Vyshellesskiy, candidate of veterinary sciences

#### BSSR GOSAGROPROM OFFICIALS RESPOND

[Letter from M. Dergachev and I. Nikitchenko, deputy chairmen of the Belorussian State Agro-Industrial Committee]

[Text] The article, published in SELSKAYA GAZETA on 3 October 1986, was examined at the Main Administration for the Production and Processing of Livestock Products and the Main Administration for the Scientific Assurance of Development of the Belorussian SSR State Agro-Industrial Committee.

The article's author rightly raises the question about improving livestock production technology, heightening the urgency for scientific research and the topical plans of the institutes. In fact, many dairy complex projects built earlier did not provide the necessary production line facilities and

construction designs did not correspond to their intended use. This refers to latticework for slotted flooring, ventilation systems, etc. The planning and construction for such complexes ceased in 1981. Since that year planning has been conducted according to technological standards, approved by the Belorussian SSR Ministry of Agriculture, that fully account for the biological peculiarities of animals. In order to study the possible defects in the plans and not allow them to be repeated, every five years the standards are reviewed. Construction and reconstruction of complexes are carried out in the current five-year plan according to approved plans. In the process, construction is completed on deficient production line facilities, progressive technology is introduced, the necessary labor conditions are created, an improved mechanization system comes about in order to raise milk production to the level called for in the program to intensify dairy cattle breeding and lower costs and reduce labor expenditures up to 3-4 and less man-hours for a quintal of product.

Plans for 1986-87 call for reconstructing practically all dairy complexes built according to inadequate plans. Construction of complexes for 800 or more cows is allowed only with the special approval of the Belorussian SSR State Agro-Industrial Committee.

It is worth recognizing the validity of the criticism expressed in the article that was addressed at the scientific institutions of the Belorussian SSR State Agro-Industrial Committee. Despite the fact that the technical standards were developed by the institutes and that they account for how planning is being conducted, there is insufficient integration in the work of The Belorussian Scientific Research Institute for Livestock, the Central Scientific Research Institute of Rural Mechanization and Electrification of the Non-Chernozem Belt of the USSR and the Belorussian Scientific Research Institute of Experimental Veterinary. Non-coordination of their actions and the absence of the required urgency have exerted noticeable influence on the fact that the noted deficiencies have taken place on dairy farms and complexes. With the aim of eliminating estrangement in the actions of agricultural science in 1987, plans call for changing financing procedures, reworking complex scientific research programs and producing creative collectives to resolve existing problems.

It would be impossible to agree with some of the positions stated in the article. In 1975 the Central Statistical Administration calculated that the average fat content of milk amounted to 3.34 percent, while in 1985 it was 3.44. Therefore, the computed productivity of cows rose by 133 kilograms.

We also cannot agree with the statement that maintaining latticework flooring had a negative effect on the organism of the animal. What is important here is not the know-how, but the quality in fabricating the gratings. The experience of the country's well-known Kolkhoz imeni Lenin in the Tula Oblast attests to the fact that cows can be highly productive on slotted floors.

#### Editorial Commentary

[Text] In this collection we have published only several letters responding to the article "In Search of the Optimum Variant." All those who are not indifferent to the problems to develop dairy cattle raising and its switching

over to an intensive path support the position of the newspaper. Under the heading "Readers Continue the Conversation," we have already published the remarks of the chairman of the Kolkhoz Leninskiy Put in the Slutskiy Rayon, honored USSR agricultural worker, N. Vasilyevicha; the chief livestock specialist of the Kolkhoz imeni Gastello in the Minsk Rayon, V. Mazurkevich; the senior instructor of the Belorussian agricultural academy, candidate of economic sciences, V. Roshchenko; our non-staff author from the Rechitskiy Rayon, A. Toropa. Comments from other scientists, skilled workers and newspaper readers are being readied for publication.

But a different position has been found among those whose work was subjected to criticism in the newspaper. The editorial office has received letters like these from the Vitebsk Veterinary Institute and the Belorussian Scientific Research Institute of Experimental Veterinary.

We are ready to receive objective comments essentially in order to publish these materials under the heading "Presenting the Problem." A concrete conversation on a pressing subject and healthy discussion are simply needed to find the optimum variant. But letters from scientific collaborators at two veterinary institutes are only attempts at any price to justify themselves and the work of various services, and in no way are useful in this matter. Their disagreement (on eight pages of typed text) concerning criticism addressed at the ineffective work at the institute to introduce a radio-immunological means to diagnose pregnancy in cows was expressed by the deputy director of the Belorussian Scientific Research Institute of Experimental Veterinary, D. Ivanov, and the head of the laboratory on reproductive pathology at the same institute, S. Cheredkov. They affirm, "The need to adopt a new means was brought about by the fact that only half of the cows have a normal servicing period." They cite data from experiments using a new method to support this.

"In 1985," the letter states, "the Minsk Regional Livestock Breeding Station tested 4,728 milk samples. As a result 2,401 cows were acknowledged as being pregnant, 1,317 were not, and the status of 871 others was questionable. In 1986 from 7,071 samples tested, 3,959 were pregnant, 2,101 were not and 832 were in doubt." Similar results were found in studies done at the Smolevichi Livestock Breeding Station.

Is it accidental that the servicing period turns out to be extended if practically every second inseminated cow remains bare? Carefully consider the figures that the scientists themselves cite. What can the radio-immunological method of diagnosis help? Especially as written in the editorial office's response, the degree of determining pregnancy by the new method amounts to only 80.9 percent, while non-pregnancy is...91.7.

First, in themselves these indicators are not high. A 10-20 percent flaw, you might agree, is a little too much for any industry, especially one equipped with the latest word in technology.

Second, shouldn't we know absolutely whether or not these cows are pregnant? But what do we currently get? We translate percentages into more comprehensible language and it seems that every fifth cow acknowledged to be pregnant will not bear an offspring. And in just the opposite way, every

tenth cow thought not to be pregnant, which after radio-immunological study one must treat and stimulate, turns out to be completely healthy and awaiting a calf.

We again come to the original cause for a number of scientific and economic failures. This occurs when funds have been invested somehow in a vital matter but produce no effect. This is because in the absence of a complex approach to resolving problems even the most completely up-to-date technical innovations cannot provide the required effect. Incidentally, during the period when the new method was introduced, scientists promised a savings of not less than 5 rubles 93 kopecks for every cow studied. Then that number was significantly lowered to 1 ruble 67 kopecks. And while the net result still hasn't been reduced to zero, it is perfectly apparent that the diagnostic means themselves are not at fault, but how they are applied.

We'll now attempt to switch from conversing on several main questions to an official response from the Belorussian SSR State Agro-Industrial Committee to our editorial office.

In particular, the article published on 3 October 1986 told that the productivity of cows in 1975 amounted to 2,432 kilograms with a fat content of 3.6 percent, while in 1985 it was 2,503 kilograms and 3.44 percent. And if, for the sake of comparison, we cite these figures in accordance with a base fat content, by the way, which in 1975 amounted to 3.5 percent, but now amounts to 3.4 percent, then it seems that the average milk yield from cows for 10 years has been reduced by 43 kilograms.

This portion of the material caused a lively reaction from readers. However, the Belorussian SSR State Agro-Industrial Committee, with one stroke of the pen, tried to simplify the response by citing data from the Central Statistical Administration. We read in the official response, "In 1975, according to the CSA, the average fat content of milk amounted to 3.34 percent." By this means, a completely different number is identified. But is it possible that the author infringes on the competency of the CSA?

No, the competency of the statistical administration is not in question here. It is not its fault nor was it under its initiative that, beginning in the 1970's, annual accounts of the former Belorussian SSR Ministry of Agriculture (even the CSA data are prepared and based on these) excluded the fat content indicator for milk produced. What remained was only an indicator of fat content of products sold. There is a final column in the CSA data which is pertinent and which the Agro-Industrial Committee cites in its response to the editorial office. But here there are various indicators. Similarly, we have the subject for a separate discussion: Why do dairy farms produce one fat content and municipal dairies sell another?

Even the position expressed in regard to the technology in the upkeep of cows on dairy complexes with latticed floors causes bewilderment. The main thing that is perplexing is why the practices of the Kolkhoz imeni Lenin in the Tula Oblast were cited?



Don't we have examples in our own republic? In fact, there are none. Even the best complexes with slotted flooring did not emerge with planned capacities.

Concerning the practices of the aforementioned Tula farm, widely known throughout the country, there is no guarantee that the quality of manufacture of latticework in any way guarantees high cattle productivity. Incidentally, the newspaper PRAVDA wrote a letter, "A Farm in Spasskiy," 29 September 1979. "Concealed under the latticed flooring, there are ferro-concrete trenches to collect manure. As it accumulates in them it undergoes natural bio-thermal processing. Moreover, the heat released during this process is used to warm the facility. Besides, the manure is here transformed into first class fertilizer, which once a year is hauled directly to the fields." On this complex it is always warm and dry, while on ours it is damp and cold.

And so, it is a matter of technology and not of the quality of latticework.

Still other questions remain as though they were outside our field of vision, beyond proper evaluation and the readers have not received clear and concise responses to a number of problems they have put forth.

On this account our readers have many questions and the newspaper will raise them from now on, counting on businesslike and responsible reactions from the corresponding departments.

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CSO: 1824/129

## POLICY, ORGANIZATION

### GREATER TRADING FLEXIBILITY AMONG ENTERPRISES ENCOURAGED

Moscow SOVETSKAYA TORGOVLYA in Russian No 1, Jan 87 pp 7-9

[Article by A. Rannev, chief of the Main Administration for Textiles, Sewn Goods and Footwear Trade, member of the USSR Ministry of Trade Collegium: "From Methods of Management by Directive to Free Sales"]

[Text] Implementing the decisions of the 27th CPSU Congress on accelerating the country's socioeconomic development the CPSU Central Committee and USSR Council of Ministers have adopted the decrees "On Improving Planning and Economic Incentive and Improving Management in the Production of Consumer Goods in Light Industry" and "On Improving Planning, Economic Incentive and Management in State Trade and the Consumer Cooperatives."

Because of the imperfect nature of planning, incentive, material-technical supply, funding and pricing, and the obsolete economic mechanism in trade and associated sectors of the national economy, conditions have not been created enabling enterprises to produce the kinds of goods needed by the consumer.

In terms of range, quality and appearance many light industry goods are failing to meet growing consumer requirements. Consumer demand for goods for children, young people and old people, and particularly fashion items, is not being satisfied.

The present practice in planning and economic incentive in production has been holding back opportunities for light industry to change its range of goods in a timely manner in line with changing market requirements and to increase the output of high-quality goods. Plans for the production of goods are compiled without proper consideration of trade orders.

This has all led to a situation in which individual enterprises have tried to meet targets for production output volumes regardless of whether or not the goods are bought by consumers; unmarketable and abandoned goods have built up in wholesale and retail trade and as at 1 October 1985 the value of such goods had reached R2.8 billion, increasing by more than R500 million compared with the same period in 1984; these were mainly light industry goods.

No final solution has been found to questions of balancing production plans with raw materials resources, and this has exerted an adverse effect on

results in the wholesale trade fairs because many changes are introduced subsequently.

Because of poor cooperation in studying wholesale and retail demand and demand in industry and inadequate use of up-to-date scientifically sound methods for studying, predicting and shaping demand miscalculations have been made in determining demand for goods and rejection of goods purchased.

Trade organizations have failed actively to influence industry in increasing the output of essential consumer goods and improving their quality and extending the range.

Economic relationships between wholesale and retail organizations and enterprises are imperfect. Given the present forms of management, the existing system of planning and of evaluation indicators for wholesale organizations and enterprises has not promoted enhancement of the role and responsibility of wholesale trade in accelerating the turnover of goods in the stores.

The system of material incentive for workers in in wholesale organizations has not encouraged them to develop warehouse turnover, become involved in grading operations, stockpile seasonal goods in their warehouses, or offer services for the retail trade.

In many stores the range of goods is limited and interruptions are permitted in the sale of everyday items of which there are adequate quantities at the wholesale bases. There is no proper selection in the trading halls in terms of models, styles, sizes, colors and other consumer attributes.

The above-mentioned decrees adopted by the CPSU Central Committee and USSR Council of Ministers will promote the elimination of shortcomings in the production of light industry goods and in trade.

The decrees provide for measures aimed at satisfying more fully Soviet people's demand for a diversity of high-quality goods.

In light industry an in-depth restructuring of planning is taking place. The basis for compiling plans for the production of goods and their range and quality will be trade orders placed, taking into accounts the results at trade fairs. The production of goods will be planned in physical terms according to a specific range of goods while the volume of deliveries in retail prices will be determined by the enterprises themselves, proceeding from the contracts concluded.

The main criterion for evaluating the results of economic activity by associations, enterprises and organizations will be the 100-percent fulfillment of tasks and obligations for deliveries in accordance with the contracts concluded, that is, the results of the economic activity of production associations are set in direct dependence on consumers.

The decree on improving the economic mechanism in light industry contains a special section on improving relationships between industry and trade as one



of the most important conditions for insuring the production and delivery of essential consumer goods.

In line with this decree the USSR Ministry of Trade together with the USSR Ministry of Light Industry and with the agreement of the USSR Gosplan has drawn up a new regulation on procedure for submitting applications and orders in trade for light industry consumer goods and for the organization and holding of trade fairs for wholesale marketing of these goods.

The regulation establishes a procedure for tighter periods for submitting applications and orders in trade, drawing up production plans, and organizing, holding and summing up the results of wholesale trade fairs so that when all this work has been completed the USSR Ministry of Light Industry and the USSR Ministry of Trade will be able to take steps to satisfy orders from trade organizations and pass on generalized material to the USSR Gosplan before 6 July of the year preceding the plan year.

The responsibility of production associations (or enterprises) is being raised in the matter of drawing up production plans and for range and quality in line with orders in trade, taking into account the results of the wholesale trade fairs.

Special importance attaches to satisfying demand for goods for children, young people and old people and for new items, particularly fashion items. Production volumes for these kinds of goods will be set by the USSR Ministry of Light Industry with the agreement of the USSR Ministry of Trade in the annual output plans.

Significant changes are being introduced in the work of the wholesale trade fairs in order to enhance their role and importance in shaping the production plan and to replace directive methods for the distribution of goods with economic methods.

The free sale of goods is envisaged at the wholesale trade fairs on the basis of direct long-term economic ties established between trade organizations and industry, taking into account primary deliveries of goods for all-union needs and interrepublic deliveries and deliveries to the Far North and Far East.

Although the switch to free sales of goods is planned for 1987 already at the most recent republic (RSFSR) wholesale trade fairs and interrepublic fairs the principle of free sales of goods was being implemented. At the interrepublic trade fair buyers were given the right to select their supplier and agree the range of goods and the quantities required.

At the wholesale trade fairs that have been held there has been further development of direct, long-term economic ties between production associations (or enterprises) and enterprises in associated sectors and trade organizations. The number of enterprises entering into direct, long-term contracts has doubled.

In order to improve the organization of the fairs for the wholesale marketing of goods in line with changing consumer demand it is intended to hold

republic, kray, oblast, interoblast, city and, if required, interrepublic trade fairs twice annually for the "spring-summer" and "fall-winter" seasons.

Permanent committees are being set up to manage the trade fairs, and they will function both during the periods when the fairs are held and during the intervals between the fairs. The trade fair committees will review how orders from trade enterprises (or organizations) are being met and the contracts concluded for deliveries of goods, and will also make proposals to appropriate organs concerning increases in the production of goods or new production of goods for which demand is not being satisfied. The decisions of the trade fair committees are binding on all suppliers and buyers.

Results from the republic and interrepublic trade fairs for the purchase of goods for 1987 indicate that despite the steps taken by industry to improve the range of goods a significant proportion of goods was not sold.

In all, at the wholesale trade fairs no contracts were concluded with industry for R3 billion worth of goods, including R1.2 billion of goods that were not in line with the range demanded by consumers.

At the wholesale trade fair for textiles some R690 million of cotton fabrics were not sold, including 360 million meters of bleached fabrics for underclothing, 109 million meters of silks and 46 million meters of linens worth a total of R2.4 billion. And at the same time for individual groups of fabrics demand from the market and nonmarket consumers was not satisfied.

Trade organizations failed to buy clothing worth R1,214 million, and this included R176 million of goods that failed to match the proper range. Projected output volumes for sewn and knitted goods, hosiery, fur goods and headwear for 1987, both overall and for individual kinds of items, are lower than trade demand.

Demand for woollen overcoats and suits, raincoats made from fabric mixtures, capron sports jackets, men's shirts, ladies' cotton dresses, cotton worsted underwear and knitted outer garments and hosiery was not satisfied at the trade fair and this is creating a strained situation in providing them for consumers in 1987.

The sale of leather and rubber footwear was at set volumes but consumer demand for many kinds of footwear remains unsatisfied.

Under conditions in which trade is being inadequately supplied with light industry goods it is necessary to replace unsold goods with goods that enjoy consumer demand. To this end light industry must hold additional regional trade fairs in order to agree a new range of consumer goods with the trade organizations.

Taking into account the interests of buyers it is essential to pay more attention to developing, in particular, the production and sale of fashion items marketed under contract prices.

At present very few sewn and knitted fashion items and footwear are being produced, no more than 2 percent of total output of light industry goods, and this is delaying the opening of stores to sell them. Sales of special fashion items in the country are being made only in the 40 special "Moda" stores and 115 special USSR Ministry of Light Industry stores and departments in the major department stores.

The USSR Ministry of Light Industry envisages that in 1987 special sewn fashion items worth R1,150 million will be produced, against applications for R1,640 million; for knitted articles the figures are R635 million and for hosiery R50 million, against total orders of R750 million.

It is planned before 1990 to increase output of special fashion goods by a factor of 3.5 and considerably to extend the range. During 1986-1987 it is intended to open 160 "Moda" stores, along with 250 USSR Ministry of Light Industry stores by the end of the 12th Five-Year Plan.

Proceeding from local conditions, the union republic ministries of trade and light industry have been assigned the task of drawing up specific plans to expand the production of and trade in special fashion goods. At past wholesale trade fairs it has been recommended that contracts be concluded for deliveries of special fashion goods to the full volume of the output plan for these items, while models, styles and all other consumer attributes be agreed for a year as articles are produced. Here, the trade organizations should conduct a preliminary study of the production opportunities for enterprises to produce goods that are in line with the present trend in fashion and that enjoy consumer demand.

In the future work to model and design apparel will be improved with the involvement of the fashion houses and the all-union center for the range of light industry goods and clothing fashion and standards.

In accordance with the CPSU Central Committee and USSR Council of Ministers decree on improving the economic mechanism in trade, the USSR Ministry of Trade has published an order defining a set of measures aimed at fully satisfying consumer demand for an extensive range of high-quality light industry goods through exerting more influence on industry with respect to fulfillment of trade orders and contractual deliveries. The union republic ministries of trade have been assigned the task of drawing up orders for the production of goods, expressed in physical terms, in line with a sophisticated products list based on an in-depth study of demand and the state of the market, taking into account consumer incomes, numbers and makeup, national and climatic features, the status of commodity reserves and commodity marketing, and demand from market and nonmarket consumers.

The chiefs of management organs in trade and of organizations and enterprises in wholesale and retail trade have been made personally responsible for soundness and correctness in determining demand for goods in their orders.

The union republic ministries of trade must significantly improve work in studying demand in wholesale and retail organizations and enterprises so that applications and orders in trade reflect actual consumer demand.

This will be helped by further introduction of the system to study and predict consumer demand, the switch to the stage-by-stage introduction of a national system for studying and shaping consumer demand for consumer goods and services, and extending the use of up-to-date computer equipment when solving tasks concerning the evaluation of changes in demand and determining demand for goods.

In connection with the restructuring of the economic mechanism in light industry and trade the trade management organs at the local level are obliged to provide help for the wholesale bases in organizing sound applications and orders, establishing close business ties with industry, and correctly distributing and skillfully maneuvering commodity resources. The volume and range of goods ordered must insure guaranteed and uninterrupted sales of those goods in the retail trade network.

Whereas previously in this work use was made of goods distribution methods that sometimes nullified the trade orders, and in which to some extent providing the trade organizations with goods was the concern of higher trade management organs, now all responsibility for orders and for agreeing the range with industry is being placed on the trade organizations. This will require a radical restructuring of the commercial work of the wholesale and retail trade organizations.

Trade cannot limit itself merely to placing orders with industry. It must be directly involved in forming the production plans for production associations (or enterprises), striving to achieve a situation in which they satisfy demand in terms of range and quality.

The union republic ministries of trade must improve the contract work of the wholesale and retail trade organizations with production associations (or enterprises), making use of contractual ties to satisfy as fully as possible demand for specific kinds of goods and the steady delivery of goods into the trade network in the range ordered, making obligatory use of sanctions in the form of fines imposed on those who violate contract discipline.

It is necessary to restructure the work of the wholesale organizations and enterprises so that they carry full responsibility for determining demand for goods that meet the requirements of the various consumer groups, and for purchases according to the range and quality, and the uninterrupted supply of these goods for the retail trade organizations.

To this end it is essential to implement measures to exert more influence on production and achieve a range of goods that corresponds to the orders, strengthen economic business ties with the production associations on the basis of deliveries under contract, tighten control over observance of contracts, improve work in holding wholesale trade fairs, and insure that solutions are found to questions arising from the results of their work.

At all wholesale bases it is essential to raise the level of warehouse commodity turnover and insure good rhythm in the supplies of goods for the retail trade network; and here it is necessary to achieve even deliveries of

goods to the trade network every 10 days and in the agreed range. This will make it possible to avoid interruptions in trade with an adequate range of inexpensive goods available at the wholesale bases.

This will all require constant development of the material-technical base for wholesale trade and improved efficiency in the use of warehouse premises. It is essential to insure the accelerated retooling of wholesale trade and the mechanization and automation of production processes.

The union republic ministries of trade must work out a long-term scheme for the development of general commodity warehouses in wholesale organizations and enterprises. When this scheme is being worked out it is necessary to proceed from the need for their rational location in order to insure uninterrupted supplies of goods for the retail trade network, the concentration of commodity reserves primarily in the wholesale trade system and relieving the retail trade organizations and enterprises from the functions of stockpiling and storing goods and delivering them to the stores.

Restructuring work in the wholesale organizations and enterprises and establishing closer economic ties with the retail trade organizations in order to achieve common final goals in satisfying consumer demand more fully, fulfilling the retail trade turnover plan and improving consumer services are impossible without changes in the trade management structure at all levels.

Practical work shows that improvements in supplies of goods for the retail trade, accelerating the turnover of goods in the stores and improving efficiency in the use of fixed and circulating capital are helped by the creation of wholesale-retail associations.

After reviewing the question of improving organizational forms in the relations between wholesale and retail trade organizations the collegium of the USSR Ministry of Trade has proposed that the union republic ministries of trade carry out the necessary preparatory work to set up wholesale-retail associations in 1987 to sell furniture, sports goods, footwear, clothing, domestic goods and cultural goods.

The new management forms are opening up for the labor collectives in industrial enterprises and trade broad opportunities for showing initiative and resourcefulness. Leaders and public organizations in trade organizations must insure in-depth study of the CPSU Central Committee and USSR Council of Ministers decrees on improving the economic mechanism in light industry and trade, and also the USSR Ministry of Trade orders published in connection with the decrees, so as to make efficient use of the new levers for influencing production and to restructure the style and methods of work.

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## LABOR

### GOSKOMTRUD RESPONDS TO QUERIES ON RECENT WAGE DECREE

Moscow SOTSIALISTICHESKIY TRUD in Russian No 1, Jan 87 pp 74-81

[Answers by the Wage Department of the USSR State Committee for Labor and Social Problems to questions asked at sectoral and regional seminars and conferences on recent wage decree: "The Wage Department of the USSR State Committee for Labor and Social Problems Explains"; first paragraph is source introduction]

[Text] For purposes of dissemination and successful fulfillment of the decree of the CPSU Central Committee, the USSR Council of Ministers and the AUCCTU of 17 September 1986 on improving wage organization and introducing new wage rates and salaries for personnel of the national economy's production sectors, the USSR State Committee for Labor and Social Problems held a number of sectoral and regional seminars and conferences. At them, many questions connected with the practical realization of this decree were asked. They are being received at the editorial office of SOTSIALISTICHESKIY TRUD. We asked the Wage Department of the USSR State Committee for Labor to answer some of them and to provide necessary clarifications.

[Question] The personnel of what associations and organizations are affected by the operation of the decree of the CPSU Central Committee, the USSR Council of Ministers and the AUCCTU of 17 September 1986?

[Answer] The decree on introducing new wage conditions applies to all associations, enterprises and organizations which in accordance with the Classifier of Sectors of the National Economy and Statistical Reporting belong to the national economy's production sectors--industry, transport, communications, construction, agriculture and others for which appropriate wage conditions are provided. New wage conditions are being introduced for these associations, enterprises and organizations regardless of their departmental subordination.

Thus, whereas in the system of nonproduction ministries and departments independent enterprises and organizations exist which according to the classifier and registration belong to nonproduction (for example, machine-building enterprises within the organization of the USSR Ministry of Secondary Specialized Education, the repair and construction trust of the USSR Ministry



of Health and others), the new rates and salaries are being fully introduced for them as designated by the decree.

[Question] Do the new wage conditions apply to personnel of scientific-research institutions, design and technological organizations?

[Answer] Wage conditions existing for independent scientific-research institutions, design and technological organizations are retained without changes in all the sectors. The operation of the decree on the new wage conditions does not affect them.

Changes in wage conditions are taking place only for personnel of scientific-research institutions, design and technological organizations belonging to associations. For designers and technologists, salaries in these organizations will be set in conformity with the decree of the CPSU Central Committee, the USSR Council of Ministers and the AUCCTU of 17 September 1986. For the scientific personnel of these organizations, salaries as before will be determined in accordance with Decree No 462 of the CPSU Central Committee, the USSR Council of Ministers and the AUCCTU of 22 May 1985. Heads of associations in industry are permitted to raise by up to 10 percent the salaries of other personnel of scientific-research institutions, design and technological organizations whose positions are not covered by Decree No 462 through savings of the wage fund of these organizations and of the material incentive fund at the disposal of the association.

[Question] Will the new wage conditions be introduced for personnel of scientific-production associations, and what are the special features here?

[Answer] In the decree, the term "association" is used everywhere, that is, it is intended for the decree to apply both to production and to scientific-production associations. The procedure of using existing wage conditions for personnel of scientific-production associations is virtually unchanged. Personnel of scientific organizational units of scientific-production associations are paid according to the conditions adopted for scientific personnel. The specific procedure of introducing new wage conditions for personnel of structural units of scientific-production associations belonging to scientific, design and technological organizations is described in the answer to the preceding question.

Structural units of scientific-production associations belonging to the production sphere according to the classifier of sectors of the national economy will fully put into practice the conditions provided by the decree of 17 September 1986 for pertinent sectors.

[Question] What are the special wage features of personnel of experimental plants, production operations, shops, sectors and installations?

[Answer] New wage rates and salaries are being fully introduced for all workers, managers, specialists and employees of independent experimental enterprises as well as experimental shops, sectors and installations of scientific-research institutions, design and technological organizations of

industrial associations of the USSR Academy of Sciences and union-republic academies of sciences.

For personnel of similar units in other sectors of the national economy (in construction, transport, communications and others) as well as independent scientific, design and technological organizations, the former wage conditions so far have been retained.

[Question] Can rates and salaries of personnel of nonproduction units of associations, enterprises and organizations of the production sphere be changed?

[Answer] Pending the introduction of new conditions in the nonproduction sphere, the pay of personnel of units belonging to production associations, enterprises and organizations included under nonproduction sectors will remained unchanged. This applies particularly to personnel belonging to culture, kindergartens, guards, housing and municipal services, public dining and others.

[Question] Should the sectoral pay principle be used everywhere under the new conditions, that is, personnel of individual units to be paid strictly on the basis of the conditions stipulated for personnel of the corresponding sectors of the national economy? For example, how would the labor of personnel of a woodworking shop at a machine-building enterprise be compensated?

[Answer] The question of wages of personnel of units performing work not related to the association's (enterprise's) type is determined differentiatedly.

It is especially emphasized in the decree that universally operative wage conditions are being introduced for personnel of units performing unique work or having the same occupations in all production sectors. This applies to personnel of motor-vehicle and railroad transport, communications, agriculture, printing, timber procurement, woodworking and the like. For this reason, regardless of what production sector they might work in their labor will always compensated on the basis of the particular universally operative conditions. Thus personnel of subsidiary farms belonging to enterprises of the machine-building industry will be paid according to the conditions established for agricultural personnel, personnel of printing offices at enterprises within the organization of ferrous metallurgy according to the conditions of printing personnel, personnel of transport shops according to the conditions of transport personnel and so on. Personnel of units (brigades, sectors) of production associations, enterprises, organizations and institutions doing construction and capital repair work themselves with the help of special allotments for construction and capital repair of buildings and structures are paid on the basis of conditions specified for corresponding personnel of construction organizations.

[Question] The decree provides in place of increased wage rates for work with hard and harmful and particularly hard and particularly harmful work conditions the use of additional pay for conditions of work. How are they established?



Actually, unified wage rates are being introduced for the first time independently of work conditions, and for the first time, pay is linked not to the occupation of a worker but to the work conditions at a specific work place.

Individual sectors with work conditions specific for them (for example, the chemical industry, capital construction) constitute an exception. Here the former procedure of using increased wage rates of workers is retained, that is, in accordance with centrally established lists of hard and harmful work and particularly difficult and particularly harmful work.

As for the other sectors, ministries and departments in agreement with central trade-union committees on the basis of model lists work out sectoral lists of work involving hard and harmful work conditions. On their basis, enterprises themselves establish according to the results of job certification and instrumental measurements a list of specific work operations and jobs where actual deviations from normal conditions of labor exist.

Additional payments for conditions of work are introduced differentiatedly while taking into account actual pressure of work at such jobs.

The size of additional pay is determined according to a standard procedure depending on the degree of concentration of hard and harmful factors at jobs and can reach 12 percent for work under hard and harmful work conditions and 24 percent under particularly hard and particularly harmful work conditions.

The position on evaluation of conditions of labor at work places was approved by Decree No 387/22-78 of the USSR State Committee for Labor and Social Problems and the AUCCTU of 3 October 1986.

Additional payments for work conditions of specialists will be established on the basis of the same procedure.

The maximum sizes of these additional payments were established the same as for workers, but the condition of their use is the actual time of work in production operations with harmful work conditions and particularly harmful work conditions (not less than 50 percent of the worktime) and the use of appropriate additional pay for workers employed in these production operations (not less than 50 percent of the number). Additional payments for harmful and particularly harmful work conditions can be introduced only for shop specialists, including shop chiefs, and only on the basis of certification of the specific job of the specialist. In subsequent rationalization of work places and improvement of work conditions, the additional pay may be reduced or completely abolished.

[Question] What criteria should be used in determining increases for a high level of vocational skill and how does one correctly differentiate their sizes?

[Answer] Questions of this kind have to be resolved directly by an enterprise with reference to organization of labor, the job and the role of each employee in the production process. Specifically, the criterion of evaluating the level of occupational skill of a worker could be the quality of the product he puts out, observance of technological discipline, consistent overfulfillment of plan targets and output norms, servicing of very important sectors, performance of higher complexity of work for related occupations and functions, the use and dissemination of advanced techniques and methods of labor and transmission of experience to the youth.

Taking into consideration the criteria of evaluation selected by the enterprise, a differentiation may be provided in the sizes of increases for a high level of occupational skill. A step scale of increases is most effective. In order for the rise in increases to be felt and appropriate interest in the work to be created, such steps should not be too small. The practice of leading enterprises attests to the fact that it is advantageous to systematically raise increases stepwise by 4 percent for occupational skills.

A special procedure of establishing increases for occupational skills has been provided for inspection workers. Increases may be established for them in an amount of up to 50 percent of the wage rate. In contrast to other workers, increases for inspectors are established not through the means of general savings of the wage fund but out of the wage fund earmarked for the disposition of the quality control service. The procedure of paying increases to inspectors is determined by the deputy director for quality in agreement with the trade union committee. The criterion for differentiating these increases with respect to size should be an absence of cases of letting through defective products, implementation of measures for the prevention of defective work and violations of technology and reduction of complaints. The sizes of increases should depend on the length of time during which poor quality products are not passed through.

[Question] Are additional workers' pay and increases included in the reckoning of piece-rate pay and in total brigade earnings?

[Answer] Additional payments for work conditions and intensiveness of labor are necessarily included in calculations of piece-rate pay and in brigade earnings together with wage rates.

Increases for great occupational skill are of an individual character connected to the personal qualifications of a worker and consequently do not take into consideration piece-rate pay and the total brigade earnings, but are paid on an individual basis.

[Question] The decree specifies that individual highly skilled workers employed in especially important and responsible work may have monthly salaries established for them instead of wage rates. Can these same workers be paid increases for occupational skill?

[Answer] Monthly salaries instead of wage rates are instituted for a worker for his high qualifications on the basis of the same criteria for their evaluation as in the introduction of increases for occupational skill. For

this reason increases for occupational skill should not be established for workers getting monthly salaries instead of wage rates.

[Question] From what sources are increases paid to specialists for big achievements in work and for the period of performance of especially important work?

[Answer] Increases are established from and within the limits of wage fund savings determined separately for the appropriate category of personnel:

managers, specialists and employees--on the basis of the norms of formation of the wage fund established for these personnel. At the same time, for the establishment of increases for foremen, chiefs of sectors and shops with approval of the labor collective, there may be allotted a part of the assets of the material incentive fund provided for awarding of bonuses to managers, specialists and employees;

designers, technologists and scientific personnel--on the basis of norms of formation of the wage fund for these categories of personnel;

foremen and other specialists of the technical control service--within the limits of the fund set aside for this service.

[Question] What criteria should serve as a guide in instituting increases for specialists for high achievements in work and for the performance of especially important work?

[Answer] Increases for high achievements in work should reflect the specific results of each worker's productive activity and be introduced in those work sectors where indicators exist for measuring these achievements (plan, target and the like).

First of all, it is recommended that they be instituted for line personnel--foremen, chiefs of sectors and shops and also specialists ensuring stable fulfillment of plans relating to production and the output of high-quality products.

For personnel of the technical control service, high achievements in work include absence of passing through defective output, observance of technological discipline, implementation of measures for detecting and preventing cases of defective output and reduction of complaints. For persons engaged in norm setting of labor, such criteria may include raising the level of norm setting for the units they serve.

Increases for performance of especially important work for the period of its performance are being introduced for the purpose of concentrating the efforts of personnel at speeding up the solution of the most important problems and are being employed in the most difficult and responsible work sectors in the creation and production of machines, equipment, instruments, materials and other products meeting with their technico-economic indicators the highest world standard as well as in work where special demands are made on time and quality.

These increases are being instituted first of all for designers, technologists, managers, structural units and specialists on whom the solution of specific problems facing the respective collective directly depends.

Increases for high achievements in work are established for personnel on the basis of certification or some other procedure of evaluating work quality and the results of their work, while increases for the performance of especially important work are established for the period of their performance or performance of individual stages of this work.

[Question] Is it possible to pay an increase for the performance of especially important work in the full amount if the work is completed ahead of schedule?

[Answer] An increase for the performance of especially important work is instituted for the planned period of its performance. In those cases where work is performed with the requisite quality and is completed ahead of the planned time, the amount of the increase determined according to the plan is paid to the worker in full, which should augment his personal interest in the fastest possible completion of assigned work.

[Question] Is it possible to institute and to continue to pay increases for vocational skill to workers and increases to specialists and employees for big achievements at work and for the performance of especially important work if wage fund savings are lacking at an enterprise or if its overexpenditure is permitted?

[Answer] Increases are paid to an employee for his personal high achievements and consequently do not depend on the state of expenditure of the wage fund, that is, they continue to be paid to all personnel for whom they are designated where overexpenditure has not occurred through the fault of these personnel.

Increases for other personnel are not initiated prior to the elimination of an overexpenditure and the creation of new wage fund savings for the corresponding category of personnel.

[Question] Is it possible to change over to the new wage rates and salaries stepwise, for example, to raise existing rates at the start by 10 percent?

[Answer] The introduction of the new wage rates was preceded by much preparatory work: revision of norms, rerating of work and workers, certification of jobs, and it simply is not practicable to do this work repeatedly. For this reason wage rates must be raised from the outset to a size designated by the new wage conditions and salaries to amounts within the limits of prescribed limits for these salaries for each position.

We should go over to them in proportion to accumulation of assets among labor collectives, as a rule for subdivisions, shops, sectors and individual categories of workers.

Is it permitted to establish simultaneously for a worker increases for major achievements at work and for the performance of especially important work and is it possible to total their amount?

[Answer] This is permitted. However, the total amount of the increases paid to an employee must not exceed 50 percent of the salary.

[Question] Will targets for the revision of norms be established centrally?

[Answer] The introduction of new wage conditions is being done through mobilization of an enterprise's internal reserves. Consequently there will be no centrally established targets for the formation of sources for the introduction of new rates and salaries, including on the basis of norm revision. Enterprises themselves must determine the sizes of revision of output norms. It is important to keep in mind that work relating to norm revision will serve as the main criterion of readiness to change over to the new wage conditions.

[Question] What is new that has been introduced into the procedure of forming lists of permanent positions and their salaries?

[Answer] First of all, limits on the number of managers, specialists and employees are being abolished. Within the framework of the general wage of an association, the wage fund for this category of personnel should be designated on the basis of norms. Within the limits of the wage fund determined by such a method, an enterprise determines by itself the necessary size and organization of units.

Standard structures and standard staffs will not be approved now by higher organizations, and those approved earlier will be abolished. Drawing up a staff list is entirely an enterprise's internal matter. Restrictions are being withdrawn on obligatory adherence to the average salary on the basis of the arrangement, on the proportion of the number of junior and senior specialists and on a minimum number of bureaus and departments.

It is recommended that the formation of a staff list at an enterprise be conducted in two steps. The first step should be to draw up a draft of the list of permanent positions and their salaries, that is, to establish a general optimal size for a unit, both general and according to occupations, and, where necessary, the wage fund. The next step should be to conduct certification of personnel recommended for appointment, and to establish on the basis of the results of the certification a skill category, a specific salary and the size of increase for each specialist. The results of the certification would be included in the actual staff listing. In the case of a specialist of any skill category leaving, his place would be taken by a specialist who has obligatorily undergone certification. For this reason he should occupy the position with his own salary and his own increases.

[Question] What new solutions are provided for stimulation of work with a smaller number of personnel?

[Answer] In contrast to the former procedure, now any combination of variants, including those of positions and occupations relating to different categories of personnel, are permitted by the heads of associations and enterprises themselves together with trade-union committees without the concurrence of ministries and departments. At the same time, all 100 percent savings in rates and salaries of released personnel remain at the disposal of the collective and can be distributed among the remaining personnel depending on the additional volume of work performed by them. In this, the size of payments in maximum amounts to a worker is not restricted and is determined only by the availability of produced savings.

It is also permitted to establish payments for the performance of duties of a temporarily absent worker in addition to one's own work for workers, foremen, sector chiefs, specialists and employees of associations. This additional pay is introduced through the means and within the limits of wage fund savings and cannot exceed 50 percent of the wage rate (salary) of the absent worker.

Bonuses, including those of in maximum size (in percent), are credited to the collective's total wage fund. For this reason, the bonuses of an absent worker also remain at the disposal of the collective.

[Question] What wage conditions are designated for chief accountants and their deputies?

[Answer] Salaries for chief accountants in salary charts are not shown, inasmuch as they are the equivalent in terms of pay level to those of deputy directors; that is, their salaries are 10-30 percent lower than directors' salaries. In their turn, the salaries of deputy chief accountants have to be another 10-30 percent below the salary of the chief accountant. For example, with a monthly 400-ruble salary for a director, the salary of a chief accountant will be within the limits of 280-360 rubles a month and the salary of a deputy chief accountant within the limits of 196-324 rubles a month.

[Question] The decree does not provide additional pay for knowledge of a foreign language. Is the old procedure retained?

[Answer] Additional pay for knowledge of a foreign language was never in effect in industry. It was introduced in the transport and communications sectors, for foreign-trade associations and a number of others and is not being presently abolished. Personnel receiving additional pay for knowledge of foreign languages will receive it in former amounts. The decree provides for the possibility of introducing in case of need a special position for a translator with payment for his work according to the procedure established for legal advisers.

[Question] When are the new wage conditions going to be introduced?

[Answer] The raised wage rates and salaries of personnel of production sectors may be introduced in the course of the five-year plan from money earned by the enterprises themselves beginning on 17 September 1986. Consequently, the specific conditions are determined by ministries (departments) in agreement with trade-union organs and the labor collectives



themselves in proportion to procurement of necessary funds. The new conditions of awarding bonuses to workers, managers, specialists and employees of production sectors are being introduced as of 1 January 1987.

[Question] The decree provides for a significant expansion of independence for enterprises in the field of wages. Would it be possible to use individual norms of the decree prior to the transition to the new wage rates and salaries?

[Answer] All norms relating to change in wage conditions (added pay, increases) can only be introduced at the same time with the transition and after the transfer of an enterprise to the new wage conditions.

In those cases where only a part of the labor collective changes over to the new conditions, added pay and increases are introduced only for that part of the collective.

[Question] What measures of responsibility are provided in the system of stimulation in redistribution of the wage fund?

[Answer] Overexpenditure of the wage fund according to the new conditions of management is subject to obligatory reimbursement.

In the case of overexpenditure of the wage fund for an association, enterprise, organization, shop, sector or other organizational unit, in contrast to the existing procedure, bonuses of the respective managerial personnel, specialists and employees as well as designers, technologists and scientific personnel for basic results of managerial activity are held back for the total amount of the permitted overexpenditure. If in subsequent periods of the calendar year, the overexpenditure is made up, then the sum of the bonuses held back is paid in the full amount.

[Question] Can a wage fund saving be frozen at associations and enterprises (organizations)?

[Answer] The decree firmly establishes that the entire wage fund saving obtained through elimination of excessive management units, amalgamation of enterprises, organizations and their organizational subdivisions and expansion of holding down two jobs or positions as well as the result of other measures aimed at reducing the number of personnel and improving the pay structure is not subject to being frozen and can be fully used for raising wage rates and salaries and increasing material stimulation of labor.

In the transition of enterprises to the normative method of planning the wage fund, it is provided that an arising overexpenditure of the wage fund is subtracted while its saving is added to the actual basic wage fund of the planned year. Consequently, the transition to the new methods of planning the wage fund and the use of stable norms guarantee to an enterprise that the obtained saving remains fully at the disposal of enterprises and organizations.

[Question] Is it possible to create at enterprises a special fund for the introduction of the new rates and salaries?

[Answer] One should not think that accumulation of monetary capital means some sort of collection of released money in a special fund. The decree quite clearly indicates that the rise in rates and salaries must be accomplished with enterprises' own monetary capital. Thus the accumulation mechanism is formation of a corresponding saving in the wage fund which is withdrawn at enterprises and will not and cannot be fully spent on carrying out the given measure. For this reason there will be no special bank accounts. At the same time, it is important for the labor collective to have an idea of the cost of the whole project and of the course of procurement of the necessary monetary capital. In this sense, it should be systematically informed of the course of fund procurement and an internal account possibly should be introduced for the accounting of monetary capital accumulation by specific collectives.

[Question] What part of the material incentive fund can be used for the introduction of the new wage conditions?

[Answer] The decree does not specially stipulate what share of the material incentive fund can be used for the introduction of the new wage conditions. This question will have to be resolved directly by labor collectives. Management can use only with their approval the required part of the monetary capital. But it should be kept in mind that raising rates and salaries through wage fund savings is economically more advantageous for an enterprise than the use of the material incentive fund's monetary capital for this. This is to be explained by the difference in norms of formation of these two funds and the basis on which the computation occurs. For example, for each percent of growth of production volume, the wage fund is increased by 0.3 percent, while the material incentive fund is increased by 1 percent for each percent of profit growth. It is clear that a 1 percent of growth of volume will be significantly simpler to obtain than a corresponding profit growth. Moreover, the actual wage fund is roughly tenfold larger than the material incentive fund.

The use of the material incentive fund as a source at the same time means that the transition to the new wage rates and salaries will be accomplished through a revision of the wage structure. If this is not accompanied by an increase in labor efficiency and expansion of functions of personnel, the effect will be insignificant.

[Question] What is the order of introducing the new rates and salaries at an enterprise?

[Answer] The procedure of changing over to the new wage conditions is determined by the enterprise itself. The changeover may be done at one time for the enterprise or organization as a whole or for individual structural subdivisions and categories of personnel. In all cases, the new salaries for managers and other personnel of the managerial apparatus are the last to be introduced after raising the wage rates and salaries of all the enterprise's personnel.



[Question] What correlations between growth of labor productivity and of wages should be maintained when introducing the new wage conditions? Has the former procedure been retained for determining the correlations between growth of labor productivity and wages?

[Answer] With the introduction of the new wage conditions, it is necessary to provide an accelerating labor-productivity growth rate compared to the average wage growth rate. At the same time, the procedure instituted in 1983 is retained. It should be noted that the existing procedure in the developed situation is beneficial to an enterprise as the wage fund savings secured through release of personnel are not taken into account in computing the correlations, but labor productivity as a whole increases for the enterprise. At enterprises changing over to self-financing methods, a special feature is that the computation of a correlation between growth of labor productivity and the average wage is carried out as a running total from the beginning of the 5-year plan.

As for control over correlation of the growth rate of labor productivity and of the average wage, it on the whole will be retained.

Since a major portion of the funds needed for raising rates and salaries will be sought from the release of a number of people, this undoubtedly should produce an effect in the form of labor productivity growth. Consequently, an accelerating labor productivity growth rate will be assured. At the same time, there may be situations where an effect in the form of labor productivity will be secured one year, while wages will basically grow in the following year. Then there may occur an advance of the wage growth rate. In order to resolve this question, USSR Gosplan, the USSR Ministry of Finance and the USSR State Committee for Labor and Social Problems have in mind to prescribe that growth rates will be reckoned by means of running totals from the start of the 5-year plan.

[Question] How is it planned to find jobs for released personnel?

[Answer] First of all, it is contemplated to find jobs within enterprises by organizing work into second and third shifts and by carrying out modernization and expansion. Second, work will be proposed to skilled personnel by way of intersectoral transfer to provide personnel for newly started up enterprises and other production facilities. And finally, released workers can be sent to other sectors of the national economy, including the nonproduction sphere. Councils of ministers of union and autonomous republics, ispolkoms of kray, oblast, city and rayon soviets of people's deputies are instructed to provide job placement for released workers, assigning this work to labor organs. It is planned to create cost-accounting bureaus for job placement in those localities where they do not exist at the present time.

[Question] What do you do where a reduction in the number of administrative and managerial personnel has already occurred in construction?

[Answer] In accordance with previously adopted decisions, the size of the managerial apparatus in construction in the localities will be reduced an average of 40-45 percent. However, wage fund savings from reduction of the size of these personnel remain in the hands of construction organizations and can be used for introduction of the new rates and salaries.

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## LABOR

### BETTER MANPOWER RESOURCES, WAGE FAIRNESS ADVOCATED

#### Inadequacies Described

Moscow EKONOMICHESKAYA GAZETA in Russian No 4, Jan 87 p 16

[Article by V. Trunin, candidate of economics and A. Markosyan, candidate of philosophy: "The Economic Bases for Social Justice"]

[Text] Daily confirmation of the principles of social justice touches many facets of our everyday lives, primarily the realm of labor and distribution. The problems of a just distribution according to labor, use of social consumption funds and the buildup of revenues for a system of social advantages available to the various categories of the population is widely discussed both in the press and on labor collectives, as well as within family groups. In reality, these questions, in one way or another, touches everyone and not just theoretically. We're talking about wages and customary benefits.

What is characteristic now? The need for a just distribution is said to be linked, first and foremost, with questions of eradication of "glaring" unearned income and clearly illegal payments and bonuses. Based on the decisions adopted here, there is strict adherence to procedures. But the problem before us now of universal and immediate observance in all segments of the national economy of the principals of social justice cannot be restricted by this. It is considerably wider, more complicated and more difficult in its resolution. To begin with, this is a problem of correctly determining the results of labor and payment for it, in that labor is both individual and collective. Much here seems to be valid, certain, inevitable, in spite of being basically unjust.

Is it really so rare a situation that the same work at two different enterprises is done with a different number of people? Aren't there collectives which manufacture unmarketable products, yet fulfill the plan and receive bonuses and live, not worse, but even better than those who, with great effort, put new items into production, carry out modernization and attempt to satisfy the needs of their consumers? Here a consistent execution of the principles of social justice in economic practice presumes a restructuring of the wage and labor planning framework, the system for awarding bonuses and the very methods of approach to the indicators used to

evaluate the results of the activities of the labor collectives. The task is difficult in many of its aspects. Discussion takes place within the framework of considering ways to restructure the economic mechanism and experiments are underway.

But even the concept of a just distribution among scientists lacks a well-defined interpretation. Some consider that under socialism significant differences cannot exist in wages, income and consumption. Such an opinion, we think, is a consequence of an incorrect understanding of equality and social justice under socialist conditions, first and foremost, equality and consumption. Meanwhile, equality under socialism presumes, in the first place, an equal regard for the means of production, equal rights for all to work according to his abilities and to receive according to his labor.

If one was to characterize the essentials of social justice in a socialist society, they are accurately defined at the 27th CPSU Party Congress which underscored that these essentials are contained in the basic principle of socialism: "Each according to his abilities, each according to his labor." By virtue of an achieved level of development of productive forces and a physical and technical base for society, labor takes on a qualitative heterogeneity with diverse results. Therefore, there cannot be equality in consumption.

Justice in distribution, taken as the relationship of society towards man, is revealed mainly in the practice of material and moral stimulation. Fundamental difficulties result from the still on-going system of pay and office-worker salary rates, wage rates, increases, bonuses, ratios, etc., which accumulated at times without sufficient economic grounds. Therefore, we now have the task to create a reliable theoretical structure that provides for tabulating information from the complex forms of labor to the simplest, that puts into practice equitable and clear-cut indicators for comparable labor and wages.

At present the consistent execution of the principles of social justice are linked to a new stage of regulating wages and the introduction of new salary rates and functionary wage scales for workers in the industrial branches of the national economy. The specified restructuring of wage scale management for the first time embraces all of its components in a complex: a wage rate system, a bonus system, a mechanism for additional payments and increases, and the standardization of labor.

All this presumes the need for much organizational and preparatory work at the enterprises and the need for perfecting bonus systems to take into account specific occupational conditions at both enterprises and their subdivisions. In the course of this work we must inflict a decisive blow to the equalizing approach to wage payments and actively formulate an effective framework of social justice in economic practice. And this is one of the most important conditions to develop the creative initiative of the workers and to change the entire moral climate on labor collectives.

We think that now, from the point of view of social justice, it is especially important to also examine the conditions in the formulation of the wage fund.

We all know that under the new economic management conditions the base wage fund increases by incremental fixed standards. In the planned wage fund the portion of the "base" acquires and subsequently "pulls" behind it all deficiencies inherent to it in the past. Therefore those collectives which in due course achieved the best technical and economical indicators get caught in a worse condition. Their find it much more difficult to derive high incremental growth to the "base."

Economic standards must not only be tied to building up volumes, increasing production, raising production efficiency and the quality of products, but to the overall results of labor as well. What can be done to see that economic standards completely respond to the requirements of social policy and the socialist principle of distribution according to labor? After all, only on this basis is it possible to be done with the situation in which the inefficiencies of some is covered at the expense of others, done with parasitism and being oriented on increased wages which are independent of the results of work.

We think that the proposals of economists to renounce the use of cost volume of a product in wage planning is worthy of attention. And so, there is a proposal to plan wages based on a unit of finished product taking labor expenditures and quality into account. This, in turn presumes further development of the methods to determine labor expenditures of a product in standard hours, especially planned labor expenditures. According to the correlation of achieved and planned labor expenditures it might be sufficient to judge with certainty the work efficiency of a collective and the savings in real labor.

The future restructuring of the wage system makes urgent the questions of observing social justice in the realization of the claims on labor under modern conditions. The principal feature of a new order for introducing increased rates and amounts is that the means for them must be earned by the collectives themselves. Improved standardization, introduction of progressive forms for organizing labor, decrease of excess workers and simplification of the management apparatus opens up opportunities to release a portion of the workers at enterprises. We know, for example, that the Belorussian railroad, which changed over to a new wage system, released almost 12,000 people. They began to work in other production segments, went on pension and several changed their qualifications.

Temporary regulations have now been adopted on procedures for the organization of work and retraining of workers let go by associations, enterprises and organizations as a result of carrying out measures to introduce new wage scales and functionary salary rates at the industrial branches of the national economy (EKONOMICHESKAYA GAZETA No 44, 1986). Now it is very important to learn from the experiences in the realization of these regulations. It seems that it is necessary to more clearly determine what are the guarantees to workers and various groups (women with children, pre-pensioners and others) who have been released to receive work at a given enterprise, to determine the conditions for transfer to other enterprises and in other branches and to work in other localities. Evidently the question arises about a more developed identification by labor organs and executive committees of opportunities at

other enterprises aimed at workers who are being released. It might be a sound practice to gather in one standardized document all regulations on procedures for work transfer, wages for personnel during retraining and instruction.

Up to this point we have discussed questions on planning and determining labor expenditures and wages. However, the realization of the principles of social justice include even the problems of creating conditions for each worker to display his capabilities during the work process. During the current five-year plan much is being done to accomplish this on an overall governmental scale. The development of industrial means of complex mechanization and automation of technological processes and the expansion in the output of new and highly effective machine systems have permitted us to free many thousands of people from heavy manual labor and substantially change the content and character of work of those changing over to new equipment. The practice of professional orientation for those entering the labor force is growing. Opportunities to receive specialized professional training are expanding.

Much depends on the initiatives of the labor collectives to resolve industry's technical modernization problems and to change conditions as a result of the efficient use of work space based on authenticated records. With the introduction of a complete cost accounting system and self-financing, the physical possibilities to resolve labor's social development problems are being broadened.

The next group of questions we'd like to touch upon are associated with the need for reform of retail prices and for improved mechanisms to distribute public fixed capital.

The 27th CPSU Party Congress put together a large number of problems in the field of housing construction and the utilization of the housing fund which must be resolved prior to the year 2000. Long-range plans call for an increase in the amount of cooperative and individual construction. Under discussion is the question of changing payments for apartments which must take into account overall living room, quality, location, etc. Families, living in individual houses and cooperative apartments, according to economists' estimates, spend significantly more money than those living in government apartments.

Besides, equality in the payment for standard and above-standard living space, as well as for different quality housing, often leads to high rent prices or to non-equivalent exchanges of apartments where the difference in cost for public living space doesn't go to the state, but winds up in the pockets of individuals.

In order to remove similar manifestations of injustice, we propose to substantially increase the difference one pays between the socially guaranteed standard for living space and its excesses and to include quality of living space in apartment rent rates.

A decisive confirmation of the principles of social justice increases the prestige of honest and conscientious labor for the good of society and contributes to accelerating the social and economic development of the country.

#### Facts on Wages, Education

Moscow EKONOMICHESKAYA GAZETA in Russian No 4, Jan 87 p 16

#### [Text] FACTS AND FIGURES:

In 1985 there were 130.3 million laborers, office workers and kolkhozniks employed in the national economy, including laborers and office workers who constituted 117.8 million people.

The restructuring of the wage payment system in the production branches of the national economy is the major measure of the social program of the 20th Five-Year Plan. New wage and salary rates will be introduced for 75 million laborers and office workers, approximately two-thirds of those in the national economy.

The average monthly wage in 1985 for laborers and office workers employed in the national economy was 190.1 rubles. This compared to 210.6 rubles for industry, where laborers earned 211.7 rubles, engineers and technicians made 233.2 rubles, and office workers, 164.6. In the wage restructuring process, official salary scales for managers, specialists and office workers were raised, on the average, by 30-35 percent. Payment for their work was made directly dependent on the accelerated pace of scientific and technological progress, product quality and the growth in production efficiency.

In 1985 the national economy had 33.6 million specialists with secondary and higher educations. This year 900,000 students graduated from VUZ's, while 1.2 million completed secondary specialized school educations.

Every year the number of laborers and office workers being retrained or increasing their qualifications grows. In 1985 7.2 million people learned new professions and specialties. The number of laborers and office workers who underwent training to raise their qualifications amounted to 39.6 million people.

In 1985 the country's kolkhozes trained 373,000 people in new professions, while 2,993,700 received instruction to increase their qualifications.

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## LABOR

### SHCHERBAKOV NOTES IMBALANCE BETWEEN WAGES, PRODUCTIVITY

Moscow SOTSIALISTICHESKIY TRUD in Russian No 1, Jan 87 pp 19-32

[Article by V. Shcherbakov, chief, Wages Department, USSR Goskomtrud (State Committee for Labor and Social Problems): "Increasing the Stimulative Role of Wages"]

[Text] In regarding wages as one of the major levers for intensifying the labor-related and creative activity of our working people, we are focussing our attention on the goal of restructuring the wage mechanism so that wages are actually earned, both by the labor collective as well as by each individual worker, and are used to solve the priority problems associated with developing the economy.

#### I.

The bases and principles upon which the present wage system is set up were formed during the mid-fifties and no longer meet the requirements of many sectors for accelerating scientific and technical progress, changing over to intensive economic management methods and improving output quality. When we analyze the movement of wage levels for sectors, classes of workers and regions of the country during 1970-1985 within the dynamic of inter-sectorial relations, then it becomes clear that differences in employees' wages are tending to lessen, even though there is a great disparity in the results of the work done by the sectors for this period.

For a long time, the national economy has witnessed no serious changes in the ratio between growth rates in labor productivity and the average wage, even though a great deal of highly efficient and highly productive technology has come into play in industry in recent years. The growth rates for wages in a number of enterprises and in individual sectors have even managed to surpass growth in labor productivity. What's more, the ratio of wages paid to workers and engineers, highly-skilled and unskilled employees, piece-rate workers and workers whose wages are based on a time rate, has worsened. A number of wage related elements have lost their initial significance, and have become mechanical pay raises.

All these and other negative tendencies have led to a weakening in the connection between wages and the final results of labor, as well as to wage

leveling, and have incurred a number of negative social results, such as loss of prestige for engineering work, and a reduction in motivation to carry out complex tasks or to raise one's skill levels etc. Analysis indicates that all these phenomena are closely related to flaws in the wage system.

The first and perhaps main flaw lies in the very system of forming wage funds. For a long time wage funds for ministries, associations, enterprises and organizations were set within absolute limits based primarily on the number of employees and their average wage and on planned increases in the production program. This approach does nothing to motivate the enterprises to cut back on the number of their employees or to mobilize all their reserves to increase labor productivity. It provided no stimulus for growth in labor productivity, nor did it effect a transition to new wage rates or salaries for those employed in industrial sectors during 1972-1975. This can be explained by the fact that most of the assets earmarked for this purpose were allocated from the state budget, so enterprises had no need to seek out their own internal deep reserves. The transition to normative methods of forming a wage fund, which has taken place in a number of sectors in recent years, has improved the situation somewhat, but its advantages have not been fully exploited.

Nor has the material incentive fund been tied to a sufficient degree to the final results of work. Changes have quite often been made in its indicators and in the methods by which it is formed, which is why the FMP [material incentive fund] has had no serious effect on the growth dynamics of labor productivity or output quality. This situation has been greatly influenced as well by the fact that, for the enterprises, any shortfall of assets for this fund has almost always been covered by intra-sectorial redistribution and most of the unused residue left over from the year's results, withdrawn into the state budget or made into a planned source for forming the FMP for the next year. In any case, as far as the enterprise is concerned, it has "vanished".

Thus, the rules for forming assets for wages have long been incomplete, and this has not helped to motivate the enterprises to make full use of all their resources.

Second, some of the wage system's bases have been eliminated. Post-war wage regulation and the increases in wages and salaries which were introduced for a number of reasons, some of which were objective, had a great impact on workers who were badly off. The result was that the gap in the wages for complex versus simple labor was narrowed. In a number of sectors (mainly in light industry and the food industry) the wage rate for a worker in a higher skill category was as much as 50-60 percent higher than for a Category I worker. Such a relation in wage rates begins to seriously retard acceleration in scientific and technical progress, since there is obviously very little incentive to perform complex and responsible jobs. As a result the situation in industrial training worsened, and such crucial fields as equipment repair and adjustment, and pilot-scale, tool and machine-tool production were weakened. Doubtless, all this has had a negative effect on the operational fitness of equipment and the capital-output ratio, on retooling, development and utilization of new technology and production methods, output quality and other production efficiency indicators.



Especially complex problems have showed up with specialists' wages. The unjustified narrowing in the wages paid to engineering and technical personnel versus workers, and the imperfection of the wage mechanism led to a situation where, in most sectors and in the national economy overall, the rates for wage increases for specialists lagged far behind increases for workers, and in a number of machine-building sectors and the extractive industry, the average wage for engineering and technical personnel came to be lower than that paid to workers, not only with regard to rates of increase, but on the absolute level as well.

Third, the level of applied wage rates and salaries no longer corresponds to workers' material and cultural levels or to the productivity or quality of their work. The share of wages paid according to the wage and salary rates for average wages for 1975-1985 was reduced, and in a number of sectors amounts to only 50-55 percent. In these circumstances, the wage rate and salary fail to perform their primary function, since they are no longer the nucleus of the entire wage system and the basis of its regulation by the state. A low wage rate level seriously lowers workers' motivation to raise their skill levels or to master increasingly complex types of work, necessitates a pursuit of quantity of output, which is frequently detrimental to its quality, and weakens the entire material incentive system, since its other elements (bonuses, supplementary payments, raises etc.) simply compensate for the low pay rate.

Wages must represent an integral system with all elements interacting energetically. If even one of them fails to perform all its functions, the others begin to neutralize its shortcomings, which to a certain extent is what has occurred today. Thus, because of low wage rates, many bonuses have been turned into wage regulators, and are used to maintain the present wage level. They have become a permanent part of the system, and this is particularly true of bonuses for fulfilling production targets and basic results of economic activity. A cumbersome system of special bonuses has been set up to stimulate individual work trends, and as a result workers are often rewarded from different sources for the same indicator. Also, radical improvement in the setting of labor norms is practically impossible without a serious review of wage rates and salaries, and without increasing their share in the structure of wages so that the established amount of wages corresponds to the publicly necessary labor norm.

Reducing the share of the rate in the wage structure not only diminishes its stimulative role, but also undermines the principles of inter-sectorial and occupational skill regulation. Enterprises frequently solve production problems, not with technical measures or by improving the workers' living and working conditions, but through unjustified pay raises, the awarding of unearned bonuses, awards and additional payments.

Fourth, the wage-setting mechanism needs to be qualitatively restructured. The major inconsistencies which have cropped up concerning workers' wages have in large part been caused by flaws in wage-setting. It is said that approximately 90 percent of the norms we use are technically justified. At the same time it is well known that they are fulfilled by 125-135 percent. Practice has shown that sometimes "technically justified" norms are overfulfilled 2- or 3-fold.

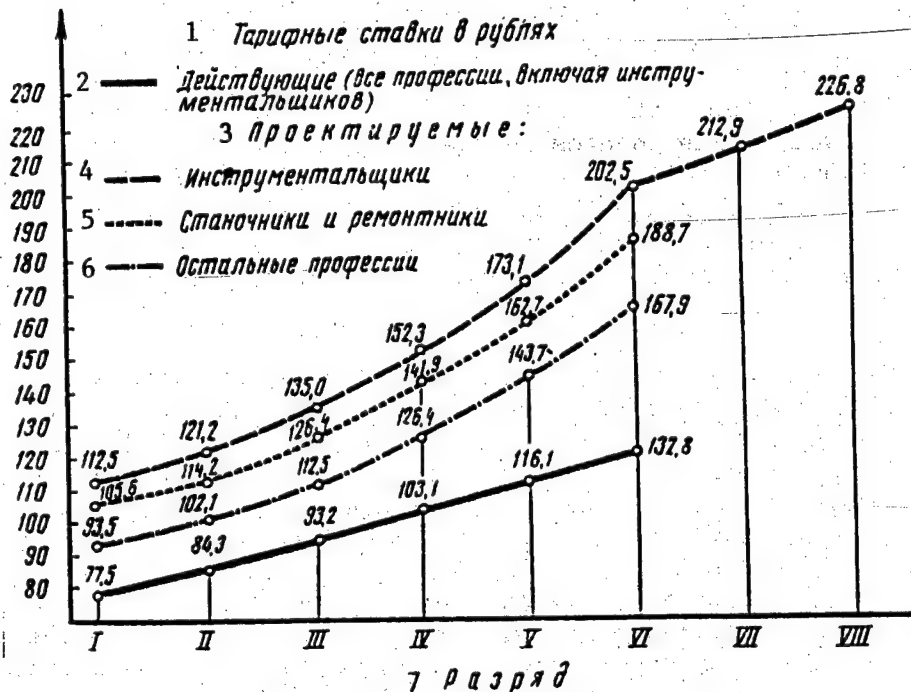
This means that there are in fact a considerable number of norms which are not justified, either technically, organizationally or economically. In some instances, they are deliberately lowered in order to raise wages. In other cases this is also explained by and large by inadequately organized wages, and particularly by the fact that output and maintenance norms are only occasionally reviewed, while changes in the organizational and technical basis of labor are continuously influenced by scientific and technical progress. Put another way, those changes in effectiveness and labor productivity which depend on all of an enterprise's employees (including designers, process engineers, economists and rate setters), have a beneficial effect on piece rate workers.

The wages earned by piece rate workers have little practical relation to the results of work done by a section or shop collective. Workers are rewarded primarily for fulfilling and overfulfilling the norms, not the plans of the enterprise's structural subdivisions, as they should be. The upshot is that the norms are overfulfilled, and many shops and enterprises fail to meet their plan targets. As a system, modern industry cannot be structured only through incentives for fulfilling and overfulfilling individual output norms. This severs the "national economic plan--state enterprise plan--shop plan--section plan--brigade plan--employee plan" connection. When incentives are provided merely for fulfilling individual output norms, there is less interest in increasing the results produced through collective labor.

The structural principles of certain other elements of workers' wages have been eliminated as well. Increased wage rates are applied to compensate workers for working in unpleasant conditions (difficult or hazardous). In most cases, this mechanism fails to meet present-day requirements because the wages turn out to be little related to the working conditions at a specific workplace.

Moreover, this wage mechanism fails to meet the standards for social fairness. Contemporary industry is characterized by a variety of types of work and by highly mobile employees. In the course of a shift, many of them move about within the work area and work in varying conditions. It is extremely difficult for piece-rate workers to be sure they are receiving their correct wages, and practically impossible for those working on a time rate, since a higher wage rate is paid depending the occupation, not on the actual time spent working in hazardous and difficult conditions. Put another way, some employees receive unjustifiably high wages while others are underpaid.

Many problems have accumulated regarding wages for labor intensiveness. The mechanism for stimulating work in compliance with technically valid intersectorial and other progressive norms and normatives doesn't work. The wages have little relation to the worker's actual workload during his shift. For example, the norm for total time spent in active labor is 70-90 percent for a drill operator or a press operator, but the same norm for a planing machine operator or a workman rarely exceeds 30-50 percent. Meanwhile, their wage rates are identical. Of course, extra wages must be paid for extra work such as multi-machine maintenance, and rightly so. However, an inadequate workload should also be regulated via the rated portion of the wage. All the same, such is not the case in present practice.



Planned and Presently Effective Wage Rates for Machine-Building Piece-Rate Employees Working in Normal Conditions

Key: 1--Wage rates, in rubles; 2--Rates now in force (all trades, including toolmakers); 3--Planned Wage Rates; 4--Toolmakers; 5--Machine-tool operators and repair workers; 6--Remaining trades; 6--Worker category

There are no fewer problems in the way specialists' (designers', process engineers', economists' etc.) wages have been organized. Their wages, as presently set up, depend primarily on their position and the results of the work done by the section collective, the shop or the enterprise as a whole. But they have almost no relation to the quality or effectiveness of the work done by the specialist. The rigidity of the salary schedule and the meagerness of the salaries have led to an unwarranted increase in the number of administrative workers and various types of senior specialists. A mass of small sectors, bureaus, departments and other subdivisions have sprung up. The administrative structure has become a tangle, and in a number of cases has lost its integrity, which has in turn reduced its effectiveness. Since the results of individual labor are underestimated, the development of responsibility and initiative in the specialists' work is retarded. The inadequately justified wage level has lowered the prestige of engineering, organizational and economic, and administrative work. A great many highly educated people have become workers. There are numerous drawbacks concerning the wages paid to directors, whose salaries have remained practically unchanged for 25 years. This could not fail to effect production efficiency and the speed of scientific and technical progress. Reduced production efficiency has in turn led to retarded growth in incentive funds and corresponding bonuses paid to directors, specialists and office workers.

Fifth, and last, it is now evident that the limits of independence for enterprises are out of date where wages are concerned. The multitudinous, poorly interrelated, frequently contradictory and long-unreviewed regulations have so solidly and firmly "swathed" the enterprises, that they have sometimes simply suffocated them. Some of the main points of these regulations directly impede the development of brigade and contractual principles of organization and wages, the combining of trades and functions, the expansion of maintenance areas and norms, and stimulate the swelling of the ranks of administrative personnel. They provide no chance for a good worker to be noticed for his merit, and they punish a bad worker with their strictness.

All these and other flaws hinder our seeing the wage system now in force as a reliable base from which to successfully implement the Party's aim of acceleration of the country's social and economic development, intensification of production by all means possible, high rates for scientific and technical progress and mobilization of organizational, economic and social factors. What is required is a radical restructuring of the wage system so that it more precisely conforms to the needs of modern production and the economic mechanism which is now coming into force.

## II.

The need for a change in the wage policy is dictated by the basic requirements put forth during the April (1985) CPSU Central Committee Plenum, and formulated and developed at the 27th Party Congress and in subsequent documents of the directive agencies. It's a case of bringing all the national economy's sectors up to qualitatively new levels compared to the highly developed capitalist countries. This applies primarily to accelerated development and mastery of new technology and production methods, generation of new types of materials, the attainment of high growth rates for labor productivity, rational utilization of resources and the manufacture of high quality output which conforms to world standards. These problems will not be solved by traditional methods of economic management. That is why we are intensively restructuring the economic mechanism.

The wage mechanism is one of the major levers for boosting the creative activity of our workers, and is the original "drive belt" by which the requirements of the economic mechanism are brought to each specific person.

In accordance with the above documents the wage policy will, in the period immediately ahead, be based on the following basic rules:

wages will continue to be the basic source for forming the population's income;

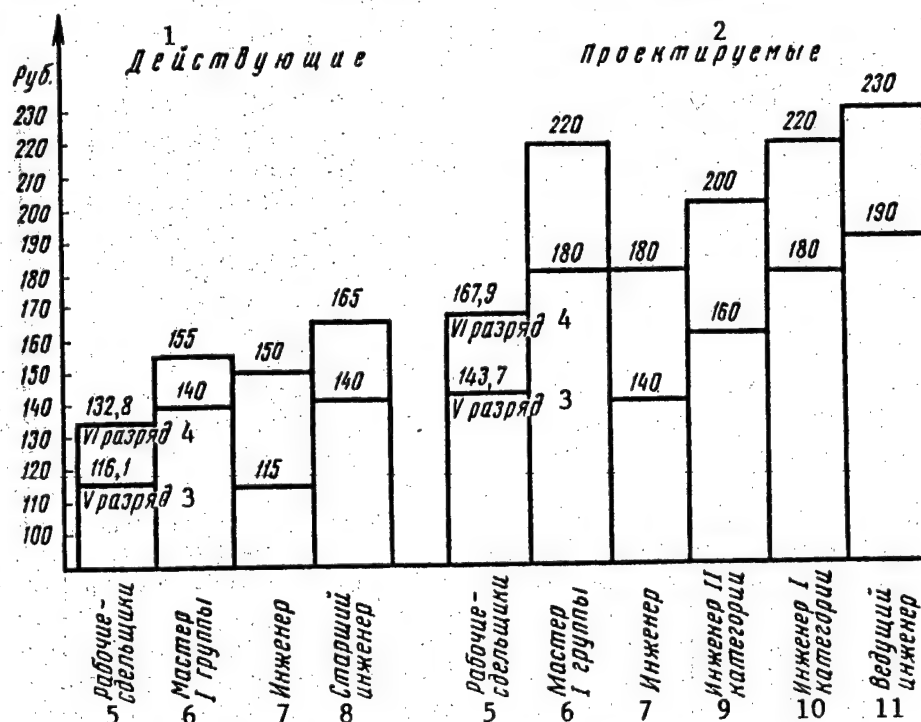
wages must be directly related to the final results of work on all levels of economic management, and this is the basis for the principle of "earning" assets for wage funds. An effective mechanism needs to be introduced which will ensure outstripping growth in labor productivity as compared to wages;

along with the successive strengthening of the principle of distribution by labor, the wage system must ensure the implementation of another of

along with the successive strengthening of the principle of distribution by labor, the wage system must ensure the implementation of another of socialism's major principles: "From each according to his abilities". In this connection, there needs to be a substantial strengthening in the material concern of labor collectives and individual workers in discovering their potentialities and increasing their contribution to labor;

the paramount task is to overcome all forms of levelling when distributing assets for wages. The incentive system must provide real benefits for those labor collectives which are fully meeting all the needs of the national economy and the populace for high-quality output and operating most efficiently as well. Preferential wages should be given to those workers making the greatest contribution towards high final results;

the wage mechanism should benefit those workers making the greatest labor contribution towards accelerating scientific and technical progress and improving the quality of manufactured output. At the same time, working conditions should be made a prime consideration in wages.



Comparison of Monthly Wage Rates for Workers and Salaries for Foremen and Engineers in Machine-Building Enterprises

Key: 1--Rates now in effect; 2--Planned rates; 3--Category V; 4--Category VI; 5--Piece-rate workers; 6--Group I foremen; 7--Engineer; 8--Senior engineer; 9--Category II engineer; 10--Category I engineer; 11--Chief engineer

In order for the wage-stimulating measures to be effective they should be implemented within the labor collectives at the same time as improvements are

the system of wages and labor stimulation should help strengthen the collectivist bases, which are the foundations of the socialist mode of economic management. In this regard, it is crucial to increase to the utmost degree the collective's material incentive to achieve high final results and to ensure that each worker's wages directly correspond to his personal contribution to the final results;

according to the commonly-held notion of improving the economic management system, the wage policy should expand the rights and the independence of the enterprises and organizations to use the monies earned by them for wages and to increase the level of responsibility for their rational utilization. At the same time, there remains the problem of strengthening state wage regulation, primarily by implementing the normative method for forming wage funds, improving the rate system and setting the norms for labor;

Bringing in a new wage system means finding solutions to a number of major problems. Primarily, the material motivation of labor collectives and individual workers needs to be boosted with regard to fulfilling and overfulfilling the five-year plan targets and achieving high final results. We also need to use the entire wage system to solve such high-priority tasks as accelerating scientific and technical progress, radically improving output quality, greatly increasing labor productivity and economizing on all types of resources. We need to ensure a valid relation in the wages paid to our enterprises' workers, specialists and white-collar workers according to their occupations and skill-level groups. Soon we will have to radically improve our wage system and increase the stimulative role of all elements of this system: the rate, supplementary wages, increments and bonuses and considerably expand enterprises' rights concerning wages and the implementation of state policy in this area. In practical terms, we mean major wage reform.

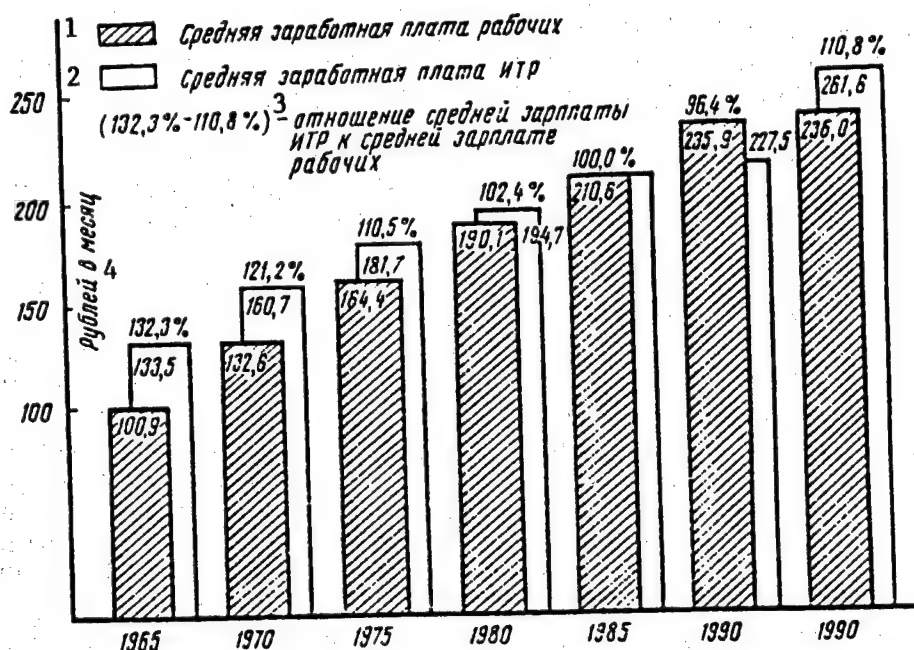
It is crucial that this reform be carried out in tandem with improvements in the economic mechanism and the successive implementation of the economic principles of full cost accounting, self-financing and self-repayment by the enterprises. This is how new and greatly-increased wage rates and salaries will be introduced for the first time with no subsidies from the state budget. The enterprises have to earn the necessary funds themselves.

A qualitatively new system for making wages strictly dependent on the final results of labor is being set up for labor collectives. All industrial sectors are being changed over to normative methods of forming wage funds. The norms for forming the wage and material incentives funds will be stable. Not only will this create more or less equal conditions for all enterprises to begin accumulating the necessary assets (the normatives must be differentiated by the ministries depending on the enterprises' real working conditions and thereserves they actually possess),but it also guarantees that they have the earned assets at their disposal for an extended period of time, that they will not be withdrawn and redistributed for use by those doing inefficient work, and that they can be totally used to increase wage rates and salaries.

The principle of "earning" these funds has been logically extended within the enterprise as well. It has been found that at their new rates and salaries,



The principle of "earning" these funds has been logically extended within the enterprise as well. It has been found that at their new rates and salaries, the basic categories of workers earn the assets on their own. To this end, in accordance with the norms, a general FZP [wage fund] has been developed for individual wage funds: for workers, designers, process engineers and scientific workers, executives, specialists and office workers.



Dynamics of Average Wages by Category for Industrial Production Personnel (including payments from the material incentive fund and bonuses not included in the wage fund and material incentive funds) in the Machine-Building and Metal-Working Sectors

Key: 1--Average wage for workers; 2--Average wage for engineering and technical personnel; 3--Ratio of the average wages for engineering and technical personnel to the average wage for workers; 4--Rubles per month

Savings in the wage fund constitute the primary means for effecting the transition to new wage rates and salaries. At the same time, should the need arise, the labor collective can decide during the transition year to use part of the material incentive fund for these purposes, and can then make the appropriate changes in their base values during successive years, when forming the funds. We should like to have the directors of enterprises and organizations note that the norms for growth in the wage fund provide for more of an increase in the wage fund than do the norms for growth in the material incentive fund. Moreover, using funds from the material incentive fund means that workers' earnings are not really increasing. As a result, this method fails to motivate the search for internal reserves for increasing labor productivity to the desired degree.

scientific and technical progress and economic growth in the national economy. The wage rates and salaries of workers in the power-production, ore mining and oil- and gas-recovering industries, construction, aviation and rail transport, defense and other industrial sectors have been greatly increased. At the same time, the wages of workers in "multi-skilled" trades, who do work of uniform complexity in a number of different sectors of the national economy, have been united. As a rule, a unified wage plan for repair workers, trouble shooters, start-up and adjustment organization workers, engineers, economists, lawyers and other specialists and white-collar workers is being implemented.

### III.

In order to eliminate the leveling of workers' wages in practically all sectors, a major wage increase is slated for highly-skilled workers, with a concomitant increase between the wage rate ratios for workers in the top and bottom (I and VI) categories. The ratio will be expanded in most cases to 1:1.8.

Special benefits are being given to workers who have a direct influence on speeding up scientific and technical progress, improving output quality and increasing labor productivity. Thus, in the machine-building sector a special group of wage rates are being granted workers who devise new technology and who are the first to master it (tool-makers, universal machine-tool operators, trouble-shooters and adjusters who work on especially complex machines, automatic production lines and flexible manufacturing systems). Considering the increasing complexity of their work, these workers have been assigned an 8-category skill grid. Overall, their pay-rates have been increased 45-50 percent. In the power engineering field, workers at nuclear power stations have been assigned higher wage rates than workers at thermal power stations. Workers with the highest skills in servicing extremely complex and powerful turbines have been assigned rates, above the rates set for their categories, of R220 and R240. High wage rates are being assigned to higher-skilled metallurgical workers who service the powerful, complex and unique equipment used in basic production as well as the highly productive equipment used in open-pit mines. In light industry, wage rates for highly skilled employees in the tailoring and knitted fabrics industry are being raised. In the food industry, workers in such key subsectors as baking, meat processing and sugar are being distinguished by their wage rates. In transport, higher wage rates have been earmarked for engineers who operate long, heavyweight high-speed trains and drivers of highly productive and new model trucks (KamAZ, and the BelAZ open-pit mining dump trucks), as well as those equipped with trailers. The wage rates of workers involved in loading and unloading operations are also being given a considerable (up to 40 percent) boost.

The wage-rate structure for agricultural workers is undergoing substantial changes. Whereas the rates here, as well as in other sectors, used to be those of piece-rate and time-rate workers, unified rates are now being set for each category (equipment operators, animal breeders etc.) and are differentiated on two levels. The first rate level is used for making partial payments to workers during the year until their output is produced, and the second is for calculating estimates of final output. This approach to structuring wage rates not only improves inter-sectorial relations vis-a-vis

wages, but also does a great deal to strengthen the connection between wages and final results, i.e., between the volume and quality of the yield of agricultural and animal-breeding output. It appears that this approach makes the wages more justifiable and motivates workers to improve the quality of their work. At the same time, farm directors have been granted the right to increase the wage rates of those of their employees who work with particularly complex state-of-the-art equipment, or during inclement weather, etc.

Major changes have been made in the structure of wage rates for construction workers. By and large, these wage rates were restructured to motivate workers to raise their skill levels and thereby the quality of their work. The rates were structured using the so-called progressive rate factor, which increases the differences in the wage rates for different categories. The highest rate (24 percent higher than for other jobs) is paid to steeplejacks.

Wage reform touches on more than just wage rates. When wages are reformed, their other elements are unified as well in scope and purpose. Thus, provision has been made for all sectors to pay supplementary wages for skill, and for bonuses to be paid for reaching the highest skill-levels. In contrast to previous practice, these wages and bonuses are not based on length of service, but on a worker's having improved his skill levels, and are based only on the results of his work and its quality, and his ability to perform more complex tasks than those called for in his skill category and to master related functions and operations etc. For those workers having the highest skills and performing especially complicated and responsible jobs in all sectors, personal merit salaries can take the place of wage rates. For the first time, a mechanism has been created not just to stimulate workers to produce high-quality labor, but also to make them aware of their responsibility for manufacturing poor quality output. When the quality of work falls off, and where there are systematic violations of production discipline, not only are the additional payments for occupational skills and high skill-level attainments revoked, but a worker's skill category classification can be lowered as well. This measure should boost the effect of improving labor and output quality.

The problem of the relation of wages to actual working conditions has been solved in a new way. Most sectors are considerably expanding the rights of associations and enterprises in this regard. They are being granted the right to independently differentiate wages depending on actual working conditions. Based on the well-thought-of work practice of many years used by VAZ [Volga Motor Vehicle Works] and the basic enterprises which introduced it in other national economic sectors to compensate for unpleasant working conditions, instead of raising the wage rates, additional payments of up to 24 percent of the wage rate are made and are differentiated according to the working conditions at a specific workplace. The amounts of the additional payments are independently set by the enterprises on the basis of workplace certifications.

Several fundamentally new cases can be enumerated here. First, for the first time most of our sectors are completely changing over to a single wage rate for all workers. Second, working conditions are not related to a worker's occupation, but to the specific place at which he works and with the actual

time he spends working there. Third, new opportunities are being created for improving the efficiency of new technology and production methods. In this regard, the list of workplaces and the amounts of the additional payments must be approved on a yearly basis by the enterprise in a collective agreement and must be reviewed based on the results of the workplaces' having been certified.

An innovation in workers' wages is the fact that additional payments of up to 12 percent of the wage rate have been approved for the purpose of increasing operational intensity on the conveyers, continuous production lines and automatic transfer lines used in machine-building and light industry. The amounts of these additional payments are fixed by the enterprise director by agreement with a trade union committee, and are also based on the results of the workplaces having been certified. In machine building, the degree to which workers are kept busy is taken into account in the norm for labor outlays. This is fairly easy to calculate when the norms are set correctly. Each type of work generates a normative indicator, and if the active workload exceeds the normative value, the enterprise director has the right to affix an additional payment to the wage rate, depending on the degree to which the normative value was exceeded. This approach motivates the labor collectives and individual workers to seek out internal reserves, to fulfill their plan targets with the least number of workers and to master additional functions, operations and jobs. It is easy to see that additional payments based on labor intensity are related not to a worker's occupation, but to the real effort he puts into his labor.

#### IV.

Qualitative changes are being made in specialists' and office workers' wages.

First, specialists' wages are being adjusted, which primarily means that the ratio between the level of workers' wage rates and salaries is being improved. Second, a direct interconnection is being established between a specialist's wages and the quality and results of his labor.

By and large, specialists' salaries are being raised about 10-12 percent more than workers' wage rates. As this occurs, benefits are being granted for leading categories of specialists who are setting the pace in scientific and technical progress and production efficiency: production line supervisors (foremen, and section and shop chiefs), designers and process engineers involved with basic products. In other sectors these people would be mine surveyors, geologists, model-building artists etc. Their wages have been boosted by 40-45 percent. In order to get all our specialists more interested in raising their skill levels, improving the quality of their work and accelerating scientific and technical progress, engineers of all occupational profiles are being categorized, as are economists, technicians and other specialists. This is being done similar to the way designers and process engineers are categorized, with high skill level ratings granted foremen. Now, instead of two positions--Engineer and Senior Engineer--there will be four skill-level categories: Engineer, Category I and Category II Engineer and Chief Engineer. At the same time, these specialists are being given better opportunities for raising their occupational skill levels within the limits of

their skill categories. To this end, the range of maximum and minimum salaries has been considerably broadened. Whereas previously, for example, an engineer employed at an enterprise manufacturing extremely complicated products could earn from R115 to R150, he can now earn R140-190 per month. Having earned his skill category, a designer, process engineer or an engineer who organizes and sets labor norms can have his salary raised to R260 by merely improving his occupational skills and raising his skill levels. Moreover, raises for high major achievements in labor and for performing extremely crucial and responsible jobs can be applied in amounts of up to 50 percent of their salaries. Consequently, the rated portion of the earnings of a designer or process engineer who does excellent work can amount to R390 per month.

This approach to structuring salaries greatly increases the motivation of the engineering staff to improve their professional skill and correspondingly diminishes their interest in changing their field of work and being transferred to a different position. All this should have an effect on increasing the rates of scientific and technical progress.

Under the new system, foremen earn a salary of R160-220, whereas under the former system a foreman's earnings were between R140-155. Upon conferment of a Class I rating, his salary is raised by 20 percent, and by achieving high results in his work, he can receive a raise of up to an additional 50 percent in his salary. Without a doubt, these measures should help to stabilize the production line supervisory staff and should attract highly-skilled specialists who are full of initiative.

Those services involved in stirring up the human factor in industry are being consolidated. The professions of sociologist, psychologist and physiologist have been included within the salary schedules of all sectors. Services are being set up to deal with social development, personal subsidiary plots and output quality where previously there were none (in construction, transport, the extractive sectors etc.). The salaries of specialists employed in such traditionally neglected services as personnel, legal and accounting services are being raised substantially. We need to mention in particular that technicians' salaries are being raised a good deal. This will permit the administrative structure to be rationalized, the prestige of engineering work to be enhanced, will create opportunities for specialists to concentrate on creative work and will relieve them from auxiliary and other routine chores.

Certification is playing a greater part in evaluating the work of specialists. Enterprise directors have been authorized on the basis of certifications to make decisions regarding not only changes in positions, the conferment of category (class) ratings, salary raises and prescribing additional payments to salaries, but decisions on reducing the salaries of individual workers to the minimum for a given position, reducing or cancelling additional payments and where needed, the dismissing of workers from their positions.

It is easy to see that at present a specialist's wages depend for the most part on his creative abilities, his attitude to the business at hand and his skills. And there will be practically no permanent staff schedules for departments and services. There must be a wage fund, rules for amending it



(for example norms for increases and reductions) and an overall maximum number of workers prescribed for each subdivision. Within these parameters, each specialist can be promoted through the categories and can increase his own salary. This is an absolutely new approach and has great significance, not only economically, but socially.

Particular emphasis has been placed on improving directors' wages. The wages of shop and department chiefs in recent years have increased significantly, whereas directors' wages have not been reviewed in almost 25 years. As a result, their wage level has considerably worsened. Thus, the salary for the position of director of a major textile combine is R250-275, that of a Group I sewn-goods mill or Group III machine-building plant is R220-260, while the average wage for industrial workers stands at R210 per month. Under the new salary schedule, the wages for shop and department chiefs have been set at 60 to 90 percent higher than the wage rates for workers in the highest, or Sixth, category.

Salaries for directors of enterprises will increase by R70-150 and will amount to R400 in the machine-building industry, R470 in ferrous metallurgy and R350 in light industry. The salary for an administrator of a construction and installation trust amounts to R420-450, with the chief of a railroad earning R500. At the same time, the following salaries for general directors of production associations and combines are being made part of the plan: R350 within the food industry, R380 in light industry, R430 in machine-building and R500 in ferrous metallurgy.

#### V.

The enterprises themselves have the right, with no additional agreements with superior administrative organs, to introduce contractual and agreed-upon organizational and wage procedures for shops and sections and all categories of workers, including specialists. Enterprises will also, on their own, determine work schedules and which additional trades their worker will be allowed to master.

Additional payments for mastering additional trades and positions, the expansion of areas of maintenance, and increases in the volume of work to be done are all now to be established through the independent action of the enterprise. The entire absent workers' wage fund can be allocated for these purposes.

Enterprises also have new opportunities for awarding bonuses. Beginning in January 1987, practically all the restrictions put on them by numerous acts, statutes and regulations are to be lifted almost totally.

Real growth in the economic independence of enterprises is feasible only with a concomitant increase in their responsibility for the results of their work. This means that the assets needed to implement new wage rates and salaries must be generated by mobilizing internal resources. The raising of wages and salaries and the removal of a considerable number of the restrictions regulating payments to specific workers go along with a simultaneous strengthening of control over the overall volume of assets expended on wages.



Associations and enterprises have also been authorized to use part of their material incentive fund to implement a new wage rating system. No additional subsidies of any sort are being allocated from the state budget. Consequently, these assets need to be procured from internal sources alone. Enterprise management should work with trade union committees to develop and implement an extensive combination of technical, organizational and economic measures which would economize on the funds used for wages. This can be done primarily by raising the technical level of production, reducing the amount of manual labor and improving working conditions, by certifying and rationalizing workplaces and providing them with balanced manpower resources and by improving the effectiveness of those collective forms of organization and stimulation of labor which would be directed towards the final results of that labor, and first of all by introducing cost accounting and contractual principles for work in brigades, sections and shops.

Increases in wages and salaries should be accompanied by changes in the setting of labor norms. We need to review the norms and normatives for manpower outlays and replace them with more progressive and technically justified versions. These norms and normatives, including those used to evaluate the work done by engineering and technical personnel are, according to our estimates, to be increased by 20-25 percent. This can be accomplished by more precisely defining the functional responsibilities of directors and specialists and then increasing their responsibility for the work performed, by introducing sectorial quotas for work-force strength along with more modern administrative structures, by consolidating individual subdivisions and by wiping out parallelism and duplication in work and thus reducing the number of people in the work-force.

Special commissions, headed by directors, need to be set up within enterprises to guide the entire effort of changing over to the new wage system. The commissions will be made up of directors of services and subdivisions, leading production workers, brigade leaders and representatives of public organizations.

The approaches called for in this reform will increase the economic independence of enterprises, will increase their actual responsibility for the results of their work, and will bring the requirements of the present economic mechanism home to each worker and to each workplace.

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## LABOR

### GOSKOMTRUD OFFICIAL COMPARES WAGE SCALES FOR MANAGERS

Moscow SOTSIALISTICHESKIY TRUD in Russian No 1, Jan 87 pp 48-53

[Article by Yu. Shatyrenko, deputy chief of the Department of Wages of the USSR State Committee for Labor and Social Problems: "How to Pay for Managers' Labor"]

[Text] Personnel classified as managers of enterprises and their subdivisions constitute quite a large category of workers. They make up almost 25 percent of the total number of specialists and employees. And the achievements of enterprises, sectors and even the country's entire economy will largely depend on how correctly their wages are structured and personal interest is ensured in work with full return. For this reason in setting up a system of salaries, this role of managers was especially considered so that their earnings would be suitably differentiated.

Managers include those personnel to whom other specialists and employees or workers are subordinated. Their salaries depend on wage groups. It is with the help of wage groups that differences in the volume of work performed by managers of different rank, their place in the production process, the extent of responsibility for the assigned task, the diversity of problems to be solved and the size of the headed sector are considered. Most production subdivisions, departments, services and enterprises and associations as a whole are classified according to groups.

All managers can be divided into two large groups: those who provide general or functional management of an enterprise (director, his deputies, chief specialists, chiefs of departments, bureaus and services in plant management) and managers just heading production units (chiefs of production facilities, shops, sectors, senior foremen and foremen). Accordingly, wage groups are established differently for them.

The first question that arises in this connection is how many such groups it is necessary to provide. Under existing conditions, as we know, enterprises are broken down by sectors into 3-7 pay groups. How many of them are in this or that sector is primarily determined by taking into account the degree of concentration of production, homogeneity of enterprises, the presence among them of large and small ones and the specific features of the sectors. Thus ore mining enterprises have been broken down into three groups, metallurgical

into four, enterprises of light and food industry into six, machine building into seven and sovkhoses even into eight pay groups for managers. In preparation of the new rate system, representatives of ministries and enterprises and scientists have expressed different points of view in this regard; some proposed having no more than two-three groups and others no less than eight-ten groups.

The question is not only and not so much an arithmetical one. On the one hand, a large number of groups makes it possible to more objectively differentiate the salaries of managers. On the other, with such an approach, salaries at enterprises of the lowest group will be very small, which not only inhibits the creation of functional services at them but even does not permit the introduction here of the position of category 1 specialists. At such enterprises, there cannot be personnel belonging to the highest grades. As a matter of fact, this would be a small, ineffective enterprise incapable of solving current problems.

Not everything is simple even in the proposal to reduce the number of groups. Here enterprises would be included that are excessively different with regard to scope of work and functions of management, while a mechanical increase of the lower limits of the group would result in the predominant and very considerable growth of managers of small enterprises.

Taking this into consideration, the new rate system provides for the following basic changes in categorization of enterprises.

In most sectors, the number of groups of enterprises was reduced to one or two. Now there no longer will be three to five. More than five groups are retained only in the light and food industry where there are many small enterprises which it does not appear possible to enlarge and also at sovkhoses by virtue of large differences in management conditions as well as on vessels of the maritime and river fleets where differentiation in regard to complexity, capacity and load-carrying capacity is constantly growing.

It was most difficult to reduce the number of groups in machine building and metalworking. The fact is that this sector in addition to machine-building enterprises of union subordination also includes a multitude of small enterprises engaged in metal work and repair of different equipment and repair shops. For this reason, the previously existing scheme of salaries for managerial personnel in machine building and metalworking with seven pay groups has been broken down into three independent ones: enterprises in

machine building and repair of machinery with five groups and enterprises in metal work and products with five groups and enterprises belonging to the motor-vehicle servicing system using two schemes with four and five groups. In addition, the directors of a metalworking plant of the first group, a machine-building enterprise of the third group, a motor-vehicle servicing enterprise of the first group and a machine-building one of the fourth group have been placed on the same salary level.

Thus conditions have been created for eliminating or amalgamating small independent enterprises that cannot achieve the minimum indicators of the last

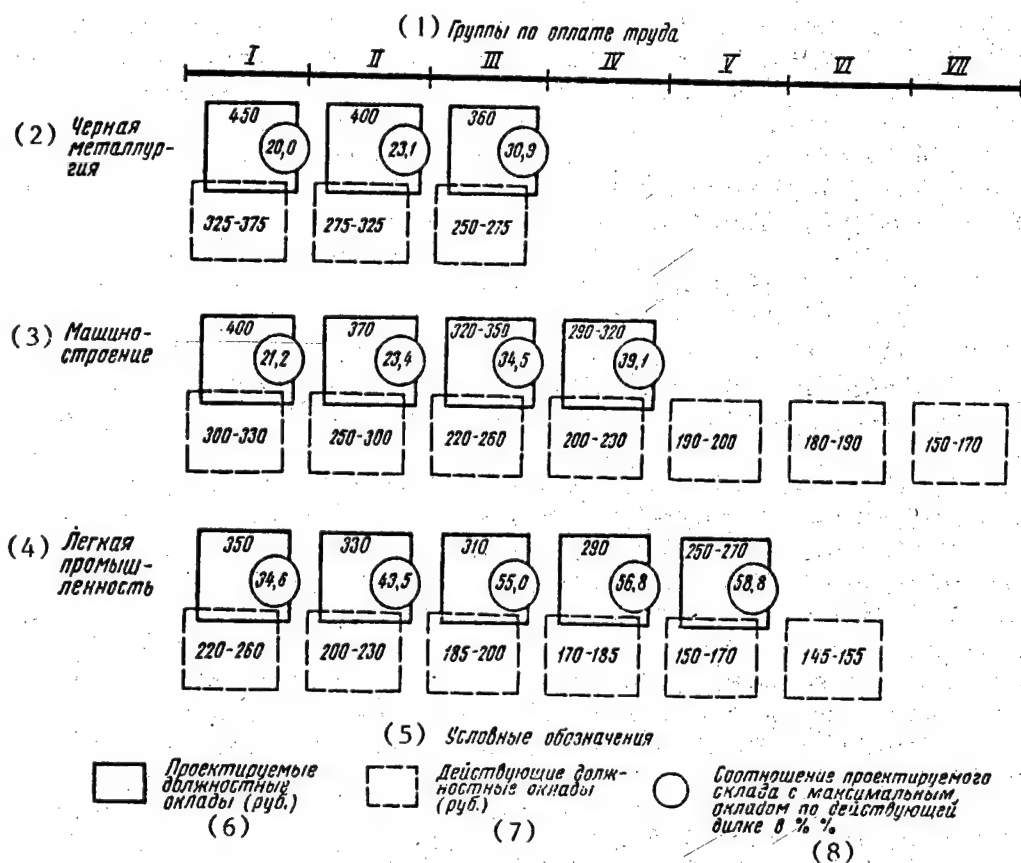


Figure. Salaries of directors of enterprises

Key:

- |                       |  |
|-----------------------|--|
| 1. Pay groups         | 5. Conventional symbols  |
| 2. Ferrous metallurgy | 6. Planned salaries (rubles)   |
| 3. Machine building   | 7. Present salaries (rubles)   |
| 4. Light industry     | 8. Relation of planned salary to maximum salary for existing limits in percent |

group. The selection of an independent system for metalworking where there are many small enterprises made it possible to avoid the unjustifiably large growth of salaries for their directors.

We know from many years of practice that salaries for directors of enterprises belonging to ministries were set for a maximum level within the confines of established limits. Consequently, the new salary schemes for general directors of associations and directors of enterprises and their chief engineers were decided on not to provide limits but to establish fixed salaries. Limits were retained for all the other positions since they may be occupied by people of different qualifications.

Owing to the reduced number of pay groups, it was nevertheless found necessary to expand the limits of the last group. For this reason, for example, the new fourth group will include enterprises that formerly belonged to it as well as those which were under the fifth group. Under these conditions, it was found necessary to provide salaries in the form of limits for the director and chief engineers. Ministries should keep this consideration in mind in setting specific salaries for directors. It would be useful to set salaries closer to the minimum limit for managers of those enterprises which have been shifted to a higher category.

In those sectors where the total elimination of small enterprises is not advisable, independent workshops may be retained. Salaries for their managers are envisaged outside the limits of the last group and are explained in notes to salary schedules while for other personnel they are set relative to salaries approved for corresponding positions at enterprises of this same group.

The most important question of categorizing enterprises is proper selection of appropriate indicators. Those which have been used up to now and have characterized primarily production volume are manifestly obsolete as the efficiency of enterprises' operation was practically not taken into account. The indicator of size of personnel employed in machine building was unable to withstand any criticism.

Categorization indicators should be largely aimed at raising the technical level and quality of production so that it is on the level of world achievements or exceeds them and at increasing production volume, labor productivity growth and reduction of production cost. It is also important for the categorization procedure to provide greater accountability for managers for the quality of produced products, fulfillment of basic plan targets and production potential use.

The basis of the new categorization indicators are as before production volume in different units of measurement which most objectively characterize the size of an enterprise and the respective complexity of its management. In all sectors, production volume is considered either directly or in the form of conventional ratings or units. At the same time, the coefficients of conversion of some types of products into others are determined on the basis of the labor intensiveness of the one or the other type. For example, in ferrous metallurgy each ton of sinter is calculated with a coefficient of 1,

pig iron--1.9, open-hearth steel--4.2, hot rolled sheet metal--7.0, cold rolled sheet metal-13.5 and so on. In the food (meat-processing) industry, each ton of meat products is calculated with a coefficient of 1.0, meat semifinished products--1.6, sausage products--2.0, canned meat--3.6 and so forth.

At the same time, the importance of volume indicators may change somewhat through their supplementation with qualitative ones. We shall show this on the example of machine building. The old indicators--value of fixed capital and size of personnel, allowing for type and complexity of production--in fact completely determined the total sum of conventional ratings. Labor productivity and growth of the relative share of products of the highest category of quality hardly influenced any change of an enterprise's group. Today number is completely excluded from indicators. In place of it, the volume of normative net production is considered. Just as before, type of production and complexity of produced products are considered. But the most important thing is that the total of conventional ratings accumulated for the cited indicators is not final but can be corrected for the most important qualitative indicators. For example, depending on growth (reduction) of the relative share of products of the highest category of quality compared to the level set by the annual plan, the total sum of the ratings can be increased by 15 percent. Furthermore, for the attainment of a larger (by no less than 25 percent) relative share of products of the highest category of quality in its subsector, an enterprise can increase the total of conventional ratings to 20 percent. The total of conventional ratings for exceeding (reducing) the growth rate of labor productivity and yield on capital increases (diminishes) in the same way. The total size of increase (reduction) of conventional ratings for the corrected indicators may change by up to 40 percent in one direction or the other. Thus many enterprises not having the possibility to expand production volume may count on being shifted to a higher group as a result of an increase in work efficiency.

On the whole, this principle of correcting volume on the basis of qualitative indicators is characteristic of the new system of categorization. Thus for each percent (point) of exceeding (reducing) planned targets for growth of labor productivity, volume may be increased (reduced) by up to 5 percent, for each percent of exceeding (reducing) yield on capital by up to 10 percent, for each percent of the relative share of products of the highest category of quality by up to 4 percent and for each tenth of a percent of planned production cost by up to 5 percent. Correction as a whole may reach 50 percent of the indicator characterizing production volume.

The decree provided for motivating the personal interest of managers of enterprises to increase production. It was established that for exceeding approved indicators for the first group by no less than twofold, salaries of directors of associations, enterprises, organizations as well as managers of structural subdivisions will be raised by 15 percent. It is important to note that whereas this is already an operative norm for associations, it is being introduced for the first time for enterprises and production units of production associations and their shops.



For practically all sectors, the possibility of raising pay groups is provided for those enterprises which are working for a high technical level of production and quality of products and their correspondence to the best world examples or for exceeding them.

In the same way as before, experimental enterprises belong to one group above that determined by indicators. At the same time, it is specified that experimental work in total production volume cannot be less than 50 percent. This was done in order to exclude cases of artificial boosting of a group for individual enterprises which only nominally are experimental but in fact put out series products.

With consistent nonfulfillment by an association, enterprise or organization of basic plan targets and putting out low-quality products, ministries were granted the right to transfer them temporarily to one pay group lower. It should be kept in mind that such a demotion can apply only to managerial personnel--the director, his deputies, chief engineer, chief accountant and chief of the economic planning department. Inasmuch as this measure is temporary, it will be necessary to work out plans of measures for eliminating deficiencies, indicating specific time periods for their accomplishment. Following rectification of the created situation, salaries to managerial personnel can be restored to the former level.

Their ministry establishes pay groups or revises them. The USSR State Committee for Labor and Social Problems and the AUCCTU approve for sectors indicators for enterprises which ministries will use in practice. For shops, they approve only model indicators, specific ones are worked out and approved by ministries. Enterprises themselves will place shops in one or another pay group. As for smaller structural units, such as sectors, indicators are worked out and established for them directly at enterprises.

Model indicators for placing shops in pay groups are set up in most sectors on the basis of production volume. This applies first of all to those production operations which are to be found in various sectors (for example, metallurgical or machine-building shops) and is done so that managers of small shops that are not basic for other sectors are not paid higher than at similar large shops of the basic sectors. This is so that a situation does not occur where the salary of the chief of the metallurgical shop, for example, in local industry exceeds the salary of a chief of the same sort of shop in metallurgy. In other sectors, shops that are not widespread, for example, fish canning shops, do not in general contain centrally established quantitative limits.

Taking into account changes in indicators, their quantitative characteristics were reviewed so that enterprises belong more fairly to pay groups. Despite the transfer of a significant number of enterprises to lower groups determined on the basis of new indicators, this does not reduce the salaries of their managers. Even in the case of transfer of an enterprise two groups lower (which would occur extremely rarely), managers' salaries will be above those now being received. For example, the present salary of the director of a machine-building enterprise of the second group is 250-300 rubles, while the new salary in the fourth group is 290-320 rubles and the salary for a director

of an enterprise belonging to the sewing industry of the first group is now 220-260 rubles but will be 310 rubles in the new third group.

The general group restructuring of enterprises can be illustrated with the following figures. At this time, for example, 61.3 percent of the enterprises in power engineering belong to the first group and 22.8 percent to the second group. As the result of employment of the new indicators, 24.6 percent of the enterprises will remain in the first group and 29.9 percent will be included in the second. In ferrous metallurgy, 56.3 percent of the enterprises were originally in the first group, but now there will be 36.3 percent, while in the second group, the figures respectively are 29.8 percent and 34.2 percent. In machine building, 28.2 percent of the enterprises are today in the first group. With the transition to the new pay conditions, 11.8 percent will so remain, while there will be 21.0 percent instead of 23.3 percent in the second group. In the food industry at this time, 17 percent of the enterprises belong to the first group and 16 percent in the second. Under the new conditions, 4 percent will remain in the first group and 16.4 percent will find themselves in the second group.

Special attention should be paid to categorization of production associations. Special indicators for them are not being established. As before, they will belong to pay groups on the basis of the total indicators of all the production units comprising them. In those cases where indicators of individual structural units cannot be summated, but these units play an important role in the work of the association and significantly complicate the function of management, the question of reckoning their indicators for categorization of a production association may be resolved through agreement with the USSR State Committee for Labor and Social Problems.

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## LABOR

### EFFECT OF MANUAL LABOR REDUCTION ON MANPOWER RESULTS

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pp 33-42

[Article by Ye. N. Feoktistova and V. M. Karev: "A Comprehensive Approach to Solving the Problem of Reducing Manual Labor in the USSR National Economy"; first paragraph is source introduction]

[Text] In the article, ways of reducing the use of manual labor in the USSR national economy and factors molding this process are examined. An assessment is given of the expected effectiveness of plans of special-goal comprehensive programs for reducing manual labor in the period to the year 2000. Proposals are contained for improving work in this area. An analysis is given of the main defects in organization of work relating to reduction of manual labor. In this connection, special attention is paid to demonstrating the need for a comprehensive approach to the solution of this question, taking into consideration its relation to other social and economic problems in the operation of the economic mechanism.

In the complex of social and economic problems of national-economic development marked for solution in the immediate future, the problem of reduction of use of manual labor is among the first-priority ones. The great importance attached to its solution is due to the fact that the present significant scale of use of manual labor is one of the factors creating a strain in providing manpower resources for the economy and retarding the growth of public labor productivity due to an unfavorable social status of the great mass of persons employed in industry, agriculture, construction, the service sphere and so forth. At the present time, about 50 million persons are engaged in manual labor solely in material production. At the same time, the share of unskilled and low-skilled labor in the total volume of manual work is extremely high.

Under the conditions of transition of the economy to a primarily intensive path of development, significant reduction of manual labor becomes an imperative task. Intensification of production presupposes as an obligatory condition the rational and economical use of all types of resources, including manpower resources. Calculations show that if growth of the national income planned for the future will be secured on the existing primarily extensive basis, it will require the additional inclusion in the national economy of 8-

10 million persons in the course of each 5-year plan. However, with the present and anticipated demographic situation, no such possibility exists. Consequently, another approach is required for solution of the problem proceeding primarily from consideration of the fact that the actual need for an additional increase in the number of employed turns out to be considerably smaller given the condition of reduction of losses occurring as a consequence of low efficiency in the use of manpower resources.

An important source of live labor lies in reduction of manual labor. This problem is of vast social importance since reduction of the share of manual labor and reduction of heavy, monotonous labor will make it possible to ease work conditions and to boost its content. For this reason, the tremendous attention given to the problem of reduction of manual labor in the materials of the 27th CPSU Congress is understandable. As stated in the new edition of the Party Program, a policy will be consistently conducted in our country not of a significant reduction of manual labor but of significant curtailment and in the future of elimination of monotonous, heavy physical and low-skilled labor. "Even in the current 5-year plan," it was noted in the Political Report of the CPSU Central Committee to the 27th Congress of the Communist Party of the Soviet Union, "it is planned to sharply reduce the share of manual labor and by the year 2000 to reduce it in the production sphere to 15-20 percent and to release millions of people from manual operations" (1). The achievement of the planned advances naturally requires significant activation of work in this area and a new approach to the problem as a whole.

Analysis of the experience acquired in the sphere of manual labor reduction in the 10th and 11th five-year plans showed that this process took place slowly, the work was on a scale of local-sectoral importance and it lacked due purposefulness and organization. True, in the last years of the 11th Five-Year Plan, certain positive changes occurred in reduction of manual labor when for the first time in many years there was achieved in industry not only a reduction of the relative share but also an absolute reduction of the number of persons employed in manual labor. Nonetheless, the developmental rate of this process and the level of work organization as a whole remained unsatisfactory.

In a number of ministries, targets for reducing the relative share of workers performing work manually were not fulfilled from year to year, while in some, an absolute increase in the number of persons employed in manual labor occurred. The number of workers performing manual work in adjustment and repair of machines and mechanisms continues to grow. Moreover, its growth rate is such that in significant measure it neutralizes the successes achieved in reduction of the total number of workers performing manual work.

The effectiveness of the process of reduction of manual labor is to a large degree minimized due to the insignificant volume of utilization of new equipment and its poor orientation toward economy of live labor, the presence of a significant number of unfilled manual-labor jobs and inadequate development of a system of motivating the work of enterprises in this sphere.

Our conducted analysis of the operation of more than 50 enterprises of a number of industrial sectors with the highest relative share of manual labor showed that this reduction process is proceeding along the following three directions.

First, reduction of time spent on the performance of some operations through partial mechanization of manual work.

The mechanization of isolated operations contributes to reduction of time outlays on performance of work as a whole, is accompanied by growth of workers' output and makes it possible to increase production volume without increasing the number of personnel. The incidental economic effect may coincide or not coincide with an improvement in conditions of work and easing of its difficulty. The social effect in this case is not an end in itself but occurs solely as an ancillary, additional result.

Second, easing of labor through the mechanization of individual difficult operations and work performed under harmful conditions.

The introduction of equipment and various devices, easing labor, has for its aim the attainment of a social effect and is not always or necessarily accompanied by growth of individual labor productivity. However, improvement of work conditions contributes to reduction of personnel turnover, reduction of traumatism and the sickness rate, that is, to improvement of manpower use.

At enterprises, work involving partial mechanization of manual labor has been the most widespread, and mostly in the first direction.

And finally, the third direction--absolute release of workers from manual heavy work and work under harmful conditions due to elimination of corresponding jobs.

The absolute release of workers, which in conformity with the decisions of the 27th CPSU Congress should be the chief result of reduction of manual labor, has so far proceeded insufficiently intensively and in terms of scale of coverage of workers with appropriate measures lags significantly behind work aimed at partial mechanization of individual operations of manual and heavy labor. Such a situation is also characteristic of those enterprises and oblasts that possess advanced experience in this area.

The practice of reducing manual labor existing at most of the enterprises we studied attests to the spontaneous character of the process. At the present time, it is one of the consequences of automation and mechanization of production and improvement of labor organization that does not have as its aim reduction of manual labor. In other words, specific results relating to reduction of manual labor until recently were not planned in advance and were not counted on but were evaluated after implementation of measures aimed at ensuring the fulfillment of the production program in the case where these measures contributed to reducing the share of manual labor.

The main element in implementation of the process of reducing manual labor continues to be as before the enterprise which must independently try to find

resources and bear the responsibility for carrying out this work. At the same time, the possibilities of enterprises are limited and their interest in reducing the scale of employment of manual labor is quite insignificant. The existing system of evaluating production activity does not engender such an interest inasmuch as it does not stimulate taking into account the social aspects of the measures carried out. It should be noted that available statistical reporting on reduction of manual labor and existing forms of its accounting do not provide for the function of effective control over the operation of enterprises in this area. On the whole, as shown by research, the process of curtailing manual labor in its present state is characterized by low efficiency.

Full solution of the problem presupposes the elimination of jobs involving manual, especially heavy physical labor and the real release of persons employed in such work. Furthermore, only such a development of the process may be considered effective where a correspondence is secured of social and economic consequences of measures conducted in the sphere of manual labor reduction. This means that the attainment of higher labor productivity and the release of workers from manual operations must be accompanied by an all-around improvement of the entire production environment, a higher labor content, improvement of its conditions and growth of the role of scientific labor organization in combination with the introduction of new equipment and technology. Such a correlation of social and economic results specifically reflects the socialist character of changes in the sphere of labor and for this reason is a key factor in assessment of the process of manual-labor reduction as a whole and determination of its effectiveness. This principle must also be employed in analysis of the operation of enterprises in this sphere, including the evaluation of individual measures.

The prerequisite for successful accomplishment of the complex of measures for reducing manual labor is the solution of a group of problems of general economic importance connected with the strategy of social and economic development of society. One such problem is correlation of the criteria of social and economic effectiveness of operational measures, a higher degree of consideration of the first in evaluating the practical work of enterprises and sectors and functioning of the whole economic mechanism when social parameters in addition to economic ones are assigned and achieved in a planned manner.

Another big problem lies in acceleration of scientific and technical progress, strengthening of its social orientation when the tasks of social and economic development are basic and providing guidelines for technico-economic decisions. In the Political Report of the CPSU Central Committee to the 27th party congress, it states that the main role in those profound changes which are planned in the labor sphere is called upon to be played by mechanization, automation, computerization and the use of robotics. And at the same time it is especially emphasized that this technical modernization must have a clear-cut social orientation (1).

At the present time, changes in the social-economic and production conditions of labor are still to a large degree the consequences of technical progress, while for mature socialism developing on its own basis the planned formulation and planned attainment of social and economic results of scientific and



technical progress are objectively characteristic. Technical progress is a most important means of developing socialist labor, improving its conditions and increasing content and satisfaction with labor. But these results are secured only when purposefully aimed for. In the period of technical progress, multivariance of the possibilities of economic development exist. Under these conditions, planned orientation of technical progress toward achievement of social aims acquires a special importance as this is how its socialist content is secured.

Such an approach should be basic at the stage of establishing assignments for designers of new equipment. And it becomes that more important at the stage of its introduction. The fact is that the national-economic level of planning of technical progress and specific technical policy of enterprises do not fully coincide inasmuch as the interests of enterprises are fully subordinated to cost accounting and fulfillment of production indicators of the plan. Thus from national-economic positions, the introduction of new equipment is practicable when it results in economy of labor and easing and improvement of its conditions at those sectors of production where they do not correspond to the demands made on the quality of socialist labor. However, cost-accounting interests of introducing new equipment are mainly for the purpose of having the price of this equipment less than the outlays of an enterprise on wages in this sector. An inadequate and frequently fully absent consideration of social effectiveness in a general assessment of the operation of enterprises not only reduces their interest in carrying out corresponding work, particularly in reduction of manual labor, but also exerts a negative influence on the resulting economic effect.

The task of reducing manual labor is a constituent of the problem of improving socialist labor and is directly tied to questions of enrichment of the content and improvement of conditions of labor, qualitatively determining the first stage in implementation of the system of measures relating to transformation of labor relations. This is first. Second, the solution of the said task is an important element of the system of improving the economic mechanism. It is under the influence of the social and economic policy being carried out in society and is directly connected to the objective of accelerating intensification of the economy.

The place and importance of the problem of reducing the employment of manual labor as a stage in the general program of development of the labor sphere as well as the dependence of its solution on the solution of more general problems of functioning of the economic mechanism determine to a significant degree the direction and effectiveness of measures carried out in the field of reduction of manual labor. Consequently these interrelationships should be taken into account in planning the development and organization of the given process, which should be considered the first most important condition for successful solution of the problem.

Another important condition is ensuring the interaction of management of the process at all levels, including the enterprise, sector, region and the national economy as a whole, which entails organization, planning, technico-economic support and effective control on the scale of society.

Such an understanding of the problem requires particular, special organization for its solution. This function can be performed by the special-goal program given the condition of right and full utilization of the possibilities inherent in the method of special-goal comprehensive programming. The principal advantages of the method are that, with the help of a special-goal program, maximum concentration of efforts is secured for a comprehensive or significant solution of the problem so that its position proves to be on a qualitatively new and higher level (2). This requires a corresponding determination of the aims and the system of integrated measures selected on the basis of a definite criterion. The lack of a clear-cut objective and an insufficiently complete solution of the problem as well as the absence of a unified system of measures involving the solution of the problem in all directions would mean an ineffective, irrational use of the method.

The years of the 11th Five-Year Plan saw continued elaboration was continued of the All-Union Special-Goal Comprehensive Program of Reduction of Manual Labor (TsKPRT) planned for the period 1986-2000. It was preceded by generalization of experience acquired in the sphere of reduction of manual labor and by a large amount of preparatory work, including certification of manual labor. It was assumed that the actions designated by the program would ensure significant positive changes in this field and would contribute to the elimination of a number of hindrances retarding the development of the process in the past (4, pp 11-12). However, as shown by an analysis of the preliminary draft of the Special-Goal Comprehensive Program of Reduction of Manual Labor, a large share of reserves for reduction of manual labor remained neglected. Analysis of drafts of sectoral programs for reducing manual labor showed the limitedness of the sphere of operation of the general program and made it possible to disclose deficiencies reducing its effectiveness. Their elimination would require directing efforts for its further development for the purpose of obtaining higher results in reduction of manual labor and the full solution of this problem.

The most important reasons for the low quality of sectoral programs affecting the quality of the general program are the following: absence of integration in the approach to the solution of the problem; reduction of the problem of reducing manual labor to the problem of mechanization; lack of effective consideration of the relationship of the problem of reducing manual labor to other social and economic problems in the functioning of the economic mechanism, that is, lack of a systems approach to its solution.

The special-goal program as a special instrument ensuring the most effective achievement of set goals provides an opportunity to take interaction into account and to combine into one all the problems arising in regard to reduction of manual labor which must be solved at different stages of the work with respect to different aspects of the problem. This valuable feature of the method has not been used in full measure. Among the questions which have not been adequately reflected in planned activity relating to reduction of manual labor, the most significant are the problem of eliminating heavy physical labor; the problem of top priority release of women from manual work, including from heavy physical work; questions of planned organization of release of workers from manual operations, retraining, reallocation and

adaptation of them to a new job; questions of securing the proper economic and social results from the conducted measures.

Thus analysis of the drafts of sectoral programs showed that the rate of reduction of the number of women employed in manual labor according to preliminary plans was found to be in most of them significantly lower than the rate of reduction of the total number of workers performing work manually. Only four of the examined plans provided for the complete elimination of employment of women in heavy physical labor by the year 2000. It is presumed that in the future in addition to the general indicator of the relative share of workers performing work manually, an indicator of the share of women in such work will be also introduced. However, no provision for special measures for releasing women employed in manual operations has been made and no system of responsibility for this work is being provided.

At the focus of attention of the program were to be found mass manual-labor occupations. The criterion of mass character was decisive in compiling the lists of occupations subject to first-priority mechanization. Relatively few occupations involving heavy physical labor according to this criterion do not come under programs encompassed by the measures. In the compilation of lists of occupations subject to first-priority mechanization, including because of heavy physical load, only manual-labor occupations were considered. A large group of mechanized-labor occupations, but with a high share of manual labor and significant physical weight, was not included in these lists (work with pneumatic, grinding and polishing tools, vibrators, gasoline-powered saws and the like). Such a limitation should be considered unjustified, especially since the boundary between mechanized and manual labor (determined on the basis of the principle that more or less than 50 percent of the time is spent on manual labor) is frequently arbitrary.

An important stage of work relating to reduction of manual labor and determining to a significant degree its effectiveness is release and reallocation of workers. Problems solved at this stage require a planned approach and should be tied in to questions of retraining workers, introduction of new jobs and organized occupational promotion. The sizes of public expenditures connected with change of job and the effectiveness of

work with personnel at the release stage (3, p 100). These questions were solved in varying degrees of development in comprehensive programs for reduced use of manual labor by enterprises. But data on sex-and-age and occupational makeup of released workers, the scale and forms of their retraining and the needs of enterprises for workers of new occupations in connection with mechanization of manual labor at the sector and regional level were not generalized and consequently were not considered in the compilation of corresponding special-goal comprehensive programs.

An important factor influencing the effectiveness of the process of reducing manual labor is the existence of a correspondence between the economic and social results of the conducted measures. The lack of a clear-cut device for ensuring such a correspondence frequently leads to the consideration that labor-productivity growth as the result of mechanization is not accompanied by a comprehensive improvement of work conditions. Furthermore, certain parameters in this sphere even deteriorate. Our survey, for example, disclosed that each third of the surveyed workers point out a deterioration of the individual aspects of conditions of labor in the course of its mechanization. Mechanization without taking into account psychophysiological features of man's activity in the process of labor gives rise to new problems. Specifically, difficulties arise in transfer of workers to mechanized labor. Their retention at a new work place is reduced, and many unsolved problems remain connected with improvement of socialist labor (3, p 103).

What has been said makes it possible to conclude that lack of comprehension in the solution of the problem of reducing manual labor is an obstacle to further development of this process and significantly lowers the quality of all the conducted work.

The problem of significantly reducing the level of employment of manual labor in public production presupposes the need of using all available resources in this regard. This does not happen in practice. Methodological instructions for working out the Special-Goal Comprehensive Program of Reduction of Manual Labor and drafts of sectoral programs attest to the fact that the problem of reducing manual labor basically boils down to the problem of mechanization, which in our view strongly limits the scope of work and clearly reduces its effectiveness. A list of occupations for first-priority mechanization was made the basis of determining the scale of absolute release of manual workers for 1986-1990 and for the period to the year 2000. Furthermore, in the preparation of control figures, the whole number of workers in these occupations was not taken into account but only that portion which could be released by virtue of existing technical decisions on mechanization of manual labor. Thus large reserves for release of workers employed in manual labor remained ignored and not taken into consideration.

Among the effective ways of reducing manual labor in addition to mechanization (and supplementing it), there should be noted improvement of organization of production and labor, wide-scale introduction of scientifically based labor norms, development of specialization and cooperation of production and higher quality of manufactured products.

For the purpose of eliminating this or that type of manual labor, the principal means actually are mechanization and introduction of new equipment. But elimination of a manual-labor job and release of the worker in many cases can be achieved in other ways. Under the conditions of the brigade form of labor organization and employment of effective systems of its pay, motivating the performance of an assigned volume of work by a small number of workers, the possibility appears of redistributing a certain share of manual work among brigade members (this does not refer to heavy physical labor which needs to be eliminated without fail as a first priority). This would be abetted by raising the level of holding two jobs, regulation of norm setting of labor and

centralization of auxiliary service. With the development of automation and introduction of new technologies significantly changing the structure of workers' functions, the use of that form of elimination of manual-labor jobs becomes increasingly more acceptable, especially since retention of a certain share of manual labor in the total scope of operations is physiologically justified.

The release of workers from manual operations through redistribution of their functions in the brigade can be used as a means of reducing the number of persons employed in manual labor even in those cases where mechanization is impossible because of lack of technical solutions or economic impracticability.

Major possibilities of reducing the number of people employed in manual labor are opened up by job certification and rationalization. Certification makes it possible to detect obsolete and underloaded jobs which could be eliminated without detriment to the production program. According to the results of certification, it is determined whether an individual performer or brigade can take on additional functions in servicing equipment and performing certain repair, adjustment, materials-handling and transport operations.

For example, the results of carrying out certification at the Dnepropetrovsk Combine Plant show that the biggest percentage of noncertified jobs belongs to auxiliary production where the relative share of persons employed in manual labor is particularly large. Thus, according to the results of certification in 1982, of 115 noncertified jobs, 48 belonged to transport and warehousing services and 40 were in repair work.

Introduction of the experience of combine manufacturers made it possible during 1981-1983 to transfer more than 60,000 workers to mechanized work at plants in Dnepropetrovsk Oblast.

Questions of norm setting of labor are of special importance at the present time. Timely revision of norms and the introduction of technically valid norm setting make it possible to fulfill the production program with a smaller number of workers. At the same time, replacement of obsolete norms and linkage of norms to the plan of organizational and technical measures ensuring growth of labor production are being inadequately carried out.

The studies conducted by us showed that in transfer of workers from manual operations to mechanized-work sectors norms are revised unobjectively and the desire prevails for unfounded provision of rises in pay. The withdrawal from technically valid norms results, first, in increased pay without a corresponding rise in workers' skills and, second, in partial utilization of reserves of released manpower, giving rise to the possibility of maintaining an excessive number of workers. It is necessary that the norm more fully performs its characteristic function of measuring labor which among other things will contribute to activation of work for the release of persons employed in manual operations.



Improvement of labor organization and production should be looked upon as most importance sources of reduction of manual labor in planning the development of this process and determining its scale. A significant social and economic effect can be obtained in this way in a short period of time without big capital investment.

Sizable possibilities of reducing the number of persons employed in manual labor are connected to development of specialization and concentration of production, which should be reflected in planning the scale of release of workers from manual operations. Sources of release can be found in the solution of such questions as creation of specialized production operations for the manufacture of small-scale mechanization equipment, expansion of production of packing and packaging materials, development of container and packet shipments, specialization and cooperation of repair work and much else.

In our view, the question of restricting unjustified growth of the number of workers employed in repair and adjustment is of special importance. An increase in the volume of repair and adjustment work is a logical process accompanying growth of production capacities and the introduction of mechanization and automation. But at the present time, the growth rate of the number of repair workers exceeds by far the objectively required and achieves the rate of reduction of manual labor as a whole. According to calculations of economists, in industry about 6 million persons are now employed in repair work and only 10 percent of them work at specialized enterprises. The inadequate development of specialization is a significant but by no means the only cause of uncontrolled excessive growth of the number of repair workers. In our view, the consideration is in error that these workers are not being taken into account in determining the scale of employment in manual labor and they have been provided the assignment of reducing the relative share of manual labor workers in the total number of industrial production personnel. The introduction of monitoring over change in the size of this category of manual-labor workers would serve as a means of retarding its unjustified growth and mobilizing all its restricted reserves.

A significant place in the sum total of manual heavy physical work is occupied by operations connected one way or another with poor product quality. Low product quality is responsible for the need of carrying out manual work of fixing defective output, results in growth of the volume of repair operations at enterprises using poor quality equipment, gives rise to the need of a second check of products at user enterprises and is the cause of growth of materials handling and warehouse costs connected with return and storage of defective products.

It is emphasized in the Political Report of the CPSU Central Committee to the 27th party congress that the problem of product quality is "our immediate big reserve." This has a most direct bearing on reduction of manual labor.

All that has been said shows that the problem of reducing manual labor is a part of more general questions of social and economic development. It will be solved all the more actively as the economic mechanism is improved. At the same time, one of the important problems which has to be solved is the creation of such economic conditions that it would be economically



advantageous for enterprises to fulfill targets for reduction of manual labor and display initiative in this work.

The lack of interest of enterprises and ministries is today one of the most serious hindrances to activation of the process of reducing manual labor. This was shown by the analysis we conducted of the existing practice of work organization in this sphere at enterprises as well as by an analysis of drafts of sectoral programs for reduction of manual labor. The hidden prospects of solving this problem have remained practically unrealized in them. A large portion of the measures included in the program depended on the acquisition of additional equipment and presupposed complete financing through state capital investment, the relative share of which in total planned expenditures on accomplishment of the programs amounted to 80-95 percent in the examined plans.

The reasons prompting concealment of reserves for reducing the number of industrial personnel, including those employed in manual work, are known--the practice of planning from an attained level, the dependence of an enterprise's funds and sums of credited bonuses on the number of workers, instability of plans and violation of time periods of contractual deliveries and others. On the other hand, the mechanism is lacking for motivating work on reducing manual labor.

Initiators of advanced management methods were seriously confronted with negative aspects of economic practice which under the conditions of the transition to an intensive path of development proved to be especially acute. Thus the collective of Daugavpils Synthetic Fiber Plant, working with the Shchekino method, was able after reducing the number of employed by almost 2,000 persons to increase production volume threefold and to attain the highest output in the sector. However, in connection with reduction of the number of personnel, the fund of social and personal-service development was significantly reduced for the plant. For the same reason, the Shchekino chemical workers did not get a single apartment during the 10th Five-Year Plan.

As the initiator of raising production efficiency on the basis of carrying out certification and rationalization of jobs, the Dnepropetrovsk Combine Plant sharply reduced the number of workers. As a result of this curtailment, the enterprise was shifted to a lower category for managers' pay. Only special measures helped to rectify the situation.

The advanced experience of the enterprises shows that development of the creative initiative of workers, activation of the work of public organization and boosting managers' responsibility are an obligatory condition of intensification of the process of reduction of manual labor. The importance of these factors especially grows as further work along this direction proceeds within the framework of a special program designed for mobilization of all resources for reducing the extent of manual-labor employment. It is important to emphasize, however, that the effectiveness of all forthcoming work, the tempo of solving the problem and the character of development of the process of reducing manual labor will depend to a significant extent on how the special-goal comprehensive program of reducing manual labor is reinforced

by the complex of social and economic measures for improving the economic mechanism and bolstering the personal interest of enterprises in carrying out this work.

Let us note the most important problems in our view that must be solved for the purpose of achieving greater effectiveness of the process of reducing manual labor. One of them is creating conditions stimulating enterprises to increase production volume with a stable and even reduced number of employed. This is achieved by changing over to normative methods of planning labor and wages and more widely introducing the Shchekino method of management and its modification in accordance with specific conditions and sectoral special features of enterprises.

Among the measures providing greater effectiveness in the work of reducing manual labor, there can also be mentioned introduction of an economic appraisal of manpower resources and of establishment for enterprises of pay for them, employment of indicators for reducing manual labor in addition to other basic indicators for stimulating and evaluating all activities of enterprises, determination of the measure of their responsibility for nonfulfillment of this indicator and maintenance of an interconnection between planning and economic stimulation for the introduction of new progressive equipment also intended for reduction of manual labor.

For the purpose of increasing the effectiveness of accounting and control in regard to the scale of manual-labor reduction, it will be necessary to expand the system of indicators contained in statistical reporting. The use of an absolute indicator of reduction of manual labor--the number of workers released from manual work broken down by sex--appears helpful.

An important role is bound to be played by strengthening social direction, providing a determining role for social parameters in planning development and in creating new equipment. It would be useful to establish and to introduce into planning and design developments progressive norms of maximum permissible levels for employment of manual labor at modernized and newly started up enterprises (shops) and individual types of equipment. It is important to make sure that the new equipment fully meets ergonomic requirements.

For the purpose of expanding the possibilities of enterprises in carrying out mechanization of manual labor, it is necessary to secure their increasingly closely coordinated operation within a region and to create conditions stimulating large enterprises to provide technical assistance to enterprises not possessing a special base for the fabrication of nonstandardized equipment and fittings.

The main condition of bolstering the effectiveness of measures for reducing manual labor is provision of a comprehensive approach to solution of the problem. First of all, it is important to ensure a correspondence of economic and social effectiveness of conducted measures and to make sure that together with economic ones social targets are also established and achieved in a planned manner. In assessment of enterprises' operation, it is necessary to use on a level with others the criterion of social effectiveness.

It is important to give to the work of reducing manual labor a purposeful character, while mechanization measures should be accompanied by the planned and organized release and redistribution of workers from manual operations, taking into account differences in the makeup of these workers.

Realization of the enumerated ways of improving the organization of the process of reducing manual labor constitutes in our view a necessary condition without which the solution of the problem cannot be achieved in its full scope.

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## LABOR

### LABOR PLACEMENT SYSTEM IN NOVOPOLOTSK DESCRIBED

Moscow SOTSIALISTICHESKIY TRUD in Russian No 4, Apr 86 pp 56-60

[Article by Ye.P. Solnyuchenko, first secretary of the Novopolotsk Gorkom of the Belorussian CP: "The Novopolotsk System for Keeping Manpower Records and for Job Placement"; first paragraph is SOTSIALISTICHESKIY TRUD introduction]

[Text] Since publication of V. Bachilo's article "Recording and Job Placement of the Temporarily Unemployed (The Experience of Novopolotsk)" in our journal (No 4, 1985) the editors have begun to receive letters asking for a more detailed account of the evolution of the Novopolotsk system for registering and job placement of unemployed citizens, of its sociopolitical and economic significance, about what it has contributed to the optimum use of the city's labor resources, and what sort of problems are now being resolved to develop it further. We called upon Ye.P. Solnyuchenko, first secretary of the Novopolotsk Gorkom of the Belorussian CP, to answer readers' questions.

Novopolotsk is a young city. Not yet even 13 years old. The average age of its inhabitants is 28-29; the rate of population growth is also rather high. This cannot but be gratifying. But there are also certain difficulties. For instance, some of the city's work collectives are still going through the period of early evolution. To maintain the necessary level of discipline and order in them takes a thoughtful, painstaking, and persistent effort with the young generation. Lack of discipline, sloppiness, and even distractedness can result in serious breakdowns, economic losses, and even casualties in highly automated present-day petrochemical production. As a consequence, party, trade union, and Komsomol organizations have been examining the problems of the human factor and the strengthening of socialist discipline and social order as exceedingly important lines of their activity. The entire training effort of party organizations has been subordinated to this. We have achieved worktime losses of 0.3 percent of time worked in construction and 0.1 percent in industry. In those sectors personnel turnover and the number of absentees has been considerably reduced. In general definite constructive changes have taken place, but we would like more. In analyzing the effectiveness of measures aimed at improving working conditions and living conditions of the workers, at optimum use of free time, and the organizational and ideological forms and means of training people, we focused our attention on the fact that they do not always work effectively; sometimes there is some important link missing by which one could pull the entire chain if you could catch it, to use V.I. Lenin's striking expression.

This was especially manifest when party organizations began a vigorous campaign against violators of work discipline and public order. Many drunkards, absentees, and debauched individuals began to quit enterprises on their own, and others were dismissed "on grounds." As a consequence there was a sharp reduction of the number of violations of order in a majority of the work collectives. It seemed that we could breathe easier, but....

Cases occurred which indicated the opposite, in the city as a whole the situation had remained unfavorable. Many of those dismissed did not work anywhere for several months, they joined the ranks of violators of the law, and they became perpetual residents of the medical sobering-up room. But the most important thing is that for all practical purposes they were not under anyone's supervision. Moreover, we lost as much as 60,000 man-days a year because of discharges which did not occur for objective reasons. And although Novopolotsk is probably in a better situation with respect to the employment of the able-bodied population than the other cities in the republic, urgent steps had to be taken. They had to remedy the microclimate in the city, take under constant observation anyone who did not want to work conscientiously, who was hindering us from working effectively and well and from getting our rest, specifically: persons discharged "on grounds," who had been abusing alcohol and needed special treatment, those inclined to parasitism, people who move from job to job, dropouts from educational institutions or those who had not gone to work after graduation for various reasons.

All party organizations have been directing an effort in that direction. We called upon scientists of the Novopolotsk Polytechnical Institute. In a number of collectives thorough surveys were taken. It turned out that managers were abusing the right of discharge of personnel who violated work discipline and were refusing to hire such persons. A more thorough study of the forms and methods of the political-training effort and a study of public opinion on strengthening work discipline and public order made it possible to concentrate the attention of party organizations and work collectives on solving problems which up until that time had either escaped their detection or had been dealt with poorly.

The system for keeping records of the employment of the population and for efficient job placement of the unemployed proved to be such a link. It made it possible to guarantee strong informational connections between the personnel departments of enterprises, job placement offices and public information, the internal affairs department of the gorispolkom, and educational institutions.

Before setting the system in operation the party's city committee and primary party organization conducted an organizational and explanatory effort. The secretaries of the city committee of the Belorussian CP met with managers in the economy, the officials of personnel departments of enterprises and organizations, the party and trade union aktiv, and section inspectors of the internal affairs department. This resulted in the development and establishment of an information network in which records were kept on the level of the city's labor resources. Those connections are now structured according to the following scheme. Personnel departments of enterprises and organizations have 3 days in which to submit to bureaus for job placement and public information

cards for each person to discharge; educational institutions do the same for each person who has dropped out or who has graduated and has failed to go to work for unjustifiable reasons; and the same is done by the passport department of the city internal affairs department for individuals who have arrived for permanent residence. The bureau places these cards under 3-week observation. Personnel departments of enterprises and organizations do their hiring through the bureau as a rule. Moreover, since 1985 many of those who work in personnel departments use the card to select for the enterprise workers in the necessary specialties and they work with them individually. Once they have hired someone, they report this to the bureau within 3 days. If within the 3-week period the individual does not accept a job, the bureau sends his card to the staff of inspectors of the internal affairs department of the gorispolkom. The inspectors look into the reasons for the delay and if necessary provide help in job placement and fix a date for the next check to be made.

The Commission on Use of Labor Resources, headed by deputy chairman of the gorispolkom R.M. Rodionova, whose deputy is M.N. Gnatyuk-Muravyeva, which has been created in association with the gorispolkom, coordinates the effort of all the units. No additional outlays were required to set the system up. To be sure, there was some increase in the load on the personnel of the bureau for job placement and public information, the personnel departments, and the internal affairs department.

So that the system would operate reliably, measures were envisaged in it to stabilize personnel that precluded unwarranted moves from enterprise to enterprise. Dismissal is considered an extreme measure, especially for a violation of discipline.

The system of recording the employment of the population and effective job placement have had a constructive effect on the process of hiring and discharging workers, as has the activity of the Commission on Use of Labor Resources. In 1984 the number of persons discharged for absenteeism and other violations of work discipline was 15 percent lower than in 1983. Of the 320 persons who did not work anywhere for a prolonged period of time, 302 were quickly hired; 168 violators of work discipline discharged "on grounds" were also placed in jobs. The number of persons whose working life was interrupted for pension purposes because they were not placed in jobs in good time was cut in half. When the system was introduced, the work of section inspectors of the internal affairs department became considerably more vigorous. They discovered parasites and took steps to place them in jobs.

Raising the level of the preventive effort guaranteed a reduction in the number of cases of rowdiness punishable under criminal law. The situation in the city with respect to social welfare and everyday life was remedied. Work collectives took on a larger role in the training process, and individual work with people was raised to a new and higher level. In the city as a whole the number of persons skipping work dropped 13 percent. Losses of worktime and personnel turnover were reduced.

Before the system was introduced, one out of every four citizens of Novopolotsk who quit without good cause and did not resort to the services of the



job placement bureau had their job service interrupted because they did not manage to find a place within the 3 weeks. After the system was introduced, cases of interruption of working life became the rare exception, since the bureaus for job placement and the Commission for Use of Labor Resources strictly adhered to the deadlines for filling out the documents on hiring and discharge. Now the period of time for job placement through the bureau has been reduced to 5 days on the average, which in 1984 alone made it possible to achieve a saving equal to approximately 200 workers on an adjusted average annual basis in view of the annual group of persons placed in jobs.

The role of the bureau for job placement and public information of the gor-ispolkom and BSSR Goskomtrud in regulating the distribution of labor resources and in guaranteeing their optimum use has increased considerably thanks to introduction of the system of personnel records and prompt job placement of the unemployed population in Novopolotsk. Its prestige among the workers and supervisory personnel of the city's enterprises and organizations has increased. Knowledge of its operating methods has spread outside the republic. Practically all the enterprises and organizations in the city take advantage of the bureau's services. The number of individuals placed in jobs on the basis of its assignments has increased more than 36 percent during the time the system has been in operation, and the figure is almost 60 percent for construction organizations and enterprises in trade and the food service industry. The supply of manpower of the leading industrial enterprises in the city (the production associations "Polimir" imeni 50-Letiye BSSR and "Nefteorgsintez," the Plant for Production of Protein and Vitamin Concentrates imeni 60-Letiye SSSR, and others) has been brought up to the level of the planned requirement. Since the beginning of 1984, when BSSR Goskomtrud supported our experience in keeping personal records and prompt job placement of citizens of working age not employed in social production or going to school, and the beginning of 1985 the relative share of individuals placed in jobs through the bureau in the total hiring of personnel by industrial enterprises rose 11 points and stood at 94 percent.

As we see, definite success has been achieved in this direction, as indicated by the facts and figures, as well as the approval given in 1984 to our experience in keeping records and effective use of labor resources by the Belorussian CP Central Committee and the recommendation issued for its introduction in Belorussia. In April 1985 that experience was discussed and approved by USSR Goskomtrud and recommended for introduction in 10 cities of 7 union republics.

Seminar-conferences held in Novopolotsk have been quite helpful in disseminating the experience (at the republic level in September 1984 and the all-union level in June 1985, organized by USSR Goskomtrud). At present, for example, a similar system is in operation in all the cities and many rayons of Vitebsk Oblast, in Daugavpils (LaSSR) which is competing with our city. In 1985 alone representatives visited us from more than 50 cities in various parts of the country (Kharkov, Donetsk, Bendera, Taldy-Kurgan, Tbilisi, Narva, Vilnius, Kraslava, Sarapul, Sverdlovsk, Chelyabinsk, Tomsk, Yuzhno-Sakhalinsk, etc.) to study the system.

I must add that the organizational and explanatory effort is continuing to this very day. Last year questions concerning the operation of the system were touched upon in a plenum and discussed in the bureau of the Gorkom of the Belorussian CP and in primary party organizations. We view this entire effort as an integral part of a comprehensive system for management of labor resources, and that is why it is under constant observation of the first secretary and the secretary for ideology of the Gorkom of the Belorussian CP, and the results of the effort to manage labor resources are taken up monthly in the party's gorkom and in the gorispolkom. The Commission for Use of Labor Resources, in its effort to look to the future, has drawn up a balance of labor resources for the period up to 1990, has calculated the requirement for workers in the most common occupations in all sectors of the city's economy during the 12th Five-Year Plan, which affords us the possibility of using personnel with a high efficiency coefficient. Records have been kept of the number and composition of pensioners up to the year 1990, records have been drawn up of the number and composition of pensioners who might be called upon as an addition to the labor force in social production up to the year 1990. Even today we are calling upon them to do work within their capacity for short periods of time.

A system has been set up for vocational guidance of students in general public schools so as to take into account local conditions and the needs of petrochemical enterprises for skilled personnel; 45 percent of our graduates master occupations needed by our leading enterprises.

There is systematic followup on observance of limits on the number of workers by enterprises and organizations. The same kind of followup has been organized for optimization of work stations, adoption of measures to reduce manual labor, the mastering of progressive forms of the organization of work and remuneration, the Shchekino experience, the Novopolotsk comprehensive technological method of attending installations, the experience of VAZ, and the brigade contract. We have done job evaluations at all enterprises; 13 positions were eliminated, 350 square meters of production floor space was opened up, and 97,000 rubles worth of equipment was made available. In industry 72 percent of the workers belong to brigades, while the figure in construction is 70 percent.

We have already mentioned the material benefit of the system, if it can be referred to in that way. But its ideological and training aspect is equally important. Practically all the measures in the system provide direct or indirect help in improving the way organizational work and the ideological-indoc-trination effort are organized both in work collectives and also by place of residence. With its help we are not only detecting those who move from job to job, absentees and dropouts, but we take them under close observation and work with them using every accessible means. An analysis of the incoming cards makes it possible to determine those work collectives where the situation is manifestly unfavorable at that particular moment and to pay more attention to them and help them to correct the situation more quickly.

The system is helping us to monitor cases of discharge from enterprises and a thorough study of every person discharged "on grounds" is now an obligation.

And if it turns out that all the measures of pressure in working with offenders have not yet been exhausted, that an attempt was being made to get rid of him as soon as possible in order to improve indicators, the Commission for Use of Labor Resources of the gorispolkom returns him to his previous enterprise. To be sure, he will be given work where the working conditions are more difficult or have less prestige or work which is less well paid. It is recommended that those who quit without having every good reason be treated similarly.

Within the framework of the present system the gorkom and primary party organizations have been studying the reasons for quitting, they have been working individually with such people, they have been talking to the managers who resort to the discharge of workers without exhausting every means of exerting pressure on them.

In addition to pensioners, we also use housewives and secondary school students during vacation for short-term jobs. When people are discharged from the Soviet Armed Forces, we strive for them to rest for the optimum period of time following their service and to take jobs as early as possible. In this way we have also saved quite a few adjusted annual workers. And it seems to us that a 3-month rest after regular military service is unjustifiably long. Over such a period of empty and sometimes not altogether properly organized rest a young man not only gets out of the habit of military discipline, but he also develops bad habits, and the character-building effort has to begin with him all over again in the work collective.

We also call upon deputies to the city soviet to monitor offenders who have never worked. The elected people's deputies T.N. Ignatyeva, V.K. Kudryavtseva, V.M. Burak, and A.I. Petkevich often have talks with their charges who live in their electoral districts, help them to find jobs, and check to see when they have gone to work.

Informal collectives by place of residence play a large role in performing these tasks and in improving law and order. Communists constitute the organizing nucleus, and they are headed by party organizers, which helps to enhance the role and responsibility of party members for establishing order and organization in collectivities based on place of residence. This work is done under the guidance of the gorkom's organizational department. Of course, there have been certain difficulties. Yet even along these lines there have already been constructive examples: the party groups at Nos 23 and 75, Ulitsa Molodezhnaya, which are under the direction of G.D. Tsepilyayev, war and labor veteran, and M.V. Grinina, a retired schoolteacher, respectively.

Of course, not everything we have done has gone smoothly, there are also unsolved problems. So far idlers who have come from elsewhere, known as otkhodniki and shabashniki, remain outside our system. Here the situation can be corrected only by introducing a similar system in all the cities and rayons and establishing regular exchange of the record cards.

In our view it would be advisable to provide that the housing of those departing for the Far East, the North, and Siberia be rented by the person who holds the right of tenancy only with permission of the entity in charge of the

building, since quite often people who are not registered, who live a parasitic way of life, and who are difficult to check on, move into such apartments. Moreover, quite often those who are leaving rent out the housing at speculative prices.

We think that it would be worthwhile, as was done previously, to record the place of work in passports. Otherwise it is difficult to determine whether a man is working or not, and it takes time to run a check. It also seems to us that we should increase the importance of working papers. Sometimes it is easy to do without them and also easy to obtain duplicates. For example, in the personnel departments of Trust No 16 of "Neftestroy" alone there are more than 400 working papers of people who no longer work in the trust. No one has been asking these people for their working papers.

The inhabitants of Novopolotsk approve the work we have been doing to strengthen socialist discipline and public order and have been taking an active part in the movement for an exemplary socialist city, for fulfillment of plans for its socioeconomic development and the decisions of the historic 27th CPSU Congress. This last regular forum of the country's party members and the discussion of the party's programmatic documents have given a new impetus to the work of all the city's party organizations and all the work collectives. Party members and workers have been expressing serious proposals for further improvement of the organizational and political-training work both in work collectives and also by place of residence. And there is no doubt that their generalization and conceptualization will help us in our further effort to develop the creative initiative of the people of Novopolotsk and to achieve a wholesome atmosphere in work collectives and in the city.

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## LABOR

### EFFICIENT UTILIZATION OF LABOR IN RURAL SECTOR URGED

Moscow SOTSIALISTICHESKIY TRUD in Russian No 12, Dec 86 pp 90-94

[Article by R. Grigoryants, deputy department chief of the Labor Resources Administration of USSR Goskomtrud, and A. Statsenko, chief management inspector: "On Taking Workers Away From Their Principal Activity"]

[Text] Many good traditions have developed in our country. They include the patronage whereby labor is furnished to support those whose situation is problematical during a certain period of time. For example, when a shortage of working hands begins to be felt in agriculture during the harvest campaign people from the city go into rural areas to help bring in the harvest promptly and without losses. We recall that quite often there have also been cases in the opposite direction. But later this support through patronage turned into a widespread practice of extending unjustified aid in the form of work to kol-khozes, sovkhoses, vegetable storage facilities, city beautification departments, construction organizations, and individual enterprises which for one reason or another are experiencing shortages of manpower. This has been the reason for unjustifiable diversion of workers from their proper activity in many enterprises, organizations, the government, scientific, research, and educational institutions, involving numerous costs related to the imprudent expenditures of worktime. Unfortunately, the worktime losses go beyond that. They are augmented because various conferences are held, public measures are carried out, one-time orders of higher-level organizations are executed, and so on, during working hours. All of this is harmful to our economy.

Research done by USSR Goskomtrud and USSR TsSU with the help of the AUCCTU and Komsomol Central Committee is helping to discover the reasons why workers are taken away from their principal activity, the relative scale of this diversion, and also possibilities for reducing and eradicating this phenomenon. During the present year such surveys have been conducted in 15 oblasts and krais of RSFSR, UkSSR, UzSSR, KaSSR, and MSSR on the basis of 1985 results. In all, checks were run on 28 enterprises and organizations under 14 industrial and construction ministries whose workers had most frequently been taken away to perform various jobs not related to their principal activity. At the same time counterchecks were run at 53 kol-khozes, sovkhoses, fruit and vegetable storage facilities, construction and other organizations concerning the use of the workers recruited from outside and also the use of their own labor resources.

We should note immediately that proper order is being established in the sectors of the economy as a result of measures taken recently by Soviet and economic authorities, the organization of work is being improved, and discipline is being tightened. In the country as a whole worktime losses because of downtime, absenteeism, and excused leave in industry and construction was 4.2 million man-days less in 1985 than in 1984, a drop of 10 percent. Yet the diversion of workers and employees from their principal activity is continuing on a large scale.

In 1985 the workers of the enterprises and organizations we surveyed worked 643,700 man-days on the outside, or 8.3 days per worker, and in a number of cases it was still higher. For instance, in the Voronezh PO for the production of compressor equipment of Minstankoprom the figure was 14.7 days per worker, in the Smolensk "Iskra" PO it was 14 days, at the Kalinin Cotton Combine of USSR Minlegprom it was 13.3 days, at the "Ivtekmash" Plant of Minlegpishchemash it was 11.2 days (for the country's national economy it is 2 days). On an annual average basis the enterprises surveyed diverted more than 2,500 persons a day, or 3.2 percent of production personnel (moreover, at 19 enterprises and organizations the actual size of the labor force was smaller than planned). In many cases this diversion was unjustified, it was done in violation of established procedure, records were not kept on expenditures of state resources and of the loss suffered by the principal production.

Two-thirds of all the diversions were related to aid to agriculture and trade and procurement organizations. The principal reason here is that a majority of managers of farms and fruit and vegetable storage facilities do not take the necessary steps toward optimum and fuller use of their own manpower and equipment. At times they try to offset their inability to organize work with the help of other enterprises and organizations. For example, at No 1 fruit and vegetable storage facility in Ivanovo in 1985, while the actual size of the labor force exceeded the planned level by 32 percent, more than 700 persons were working from the "Ivtekmash" Plant alone. Personnel turnover at the facility was 50 percent, the output per worker dropped 11 percent from 1984, and wages rose 18 percent because records were not kept on the work done by persons recruited from enterprises and organizations in the city.

At the "Yambol" Sovkhoz in Andizhan Oblast worktime losses in 1985 amounted to 180,000 man-days. This means that every day of the year on an adjusted basis there are about 700 persons who did not work. At the same time about 1,000 persons were recruited from outside to harvest cotton. Thus, if the worktime losses were eliminated, the number of workers recruited from outside could have been reduced to one-third. At the Kolkhoz imeni XXII Partsyezd in the same oblast 600 kolkhoz members able to work did not work a single day in November 1985, yet about 540 persons from other enterprises and organizations worked during that period of time. If internal labor resources were optimally utilized, these farms could have harvested the cotton with their own resources, especially since over the last 3 years the adequacy of their labor supply has been at a level of 100-115 percent. On the kolkhozes and sovkhozes of MSSR 57,000 persons were absent with and without leave during the strenuous period of farm work (August-September), and in 1985 the figure was all of 61,000 persons. The number of workers recruited during that period of time increased over the same period from 87,000 to 102,000 persons.



The low level of mechanization of production processes also is having a considerable impact on the growth of the scale of manpower recruitment from outside. In 1985, for example, on farms once again in MSSR the relative share of use of manual labor in the growing of plants exceeded 80 percent. At the same time the agricultural equipment they have is often underutilized. For instance, on the "Dnestrovskiy" Sovkhoz in Novoanenskiy Rayon four tomato pickers have not worked in about 5 years.

The data gathered in the surveys indicate that farm managers do not justify the requests for the additional manpower requirement with economic calculations. As a consequence manpower is sent by order of local soviet authorities to kolkhozes, sovkhozes, and fruit and vegetable storage facilities from other sectors of the economy on a scale that considerably exceeds the actual need. For example, the "Don" Sovkhoz in Voronezh Oblast calculated a shortage of 300 persons in the 3d quarter of 1985, but they were sent three times as many. Kishinev's fruit and vegetable storage facility and the "Bytoshskiy" Sovkhoz in Bryansk Oblast were sent twice as much additional manpower as required according to their calculations. Such cases had occurred on a majority of the farms in the oblasts we checked. Quite often local authorities are still mismanaging the redistribution of manpower during the performance of seasonal work. For example, on the "Dnestrovskiy" Sovkhoz in Novoanenskiy Rayon of MSSR 360 workers and employees came to pick tomatoes. At the same time by order of the rayispolkom 30 permanent workers on that farm were sent for more than a month to the canning plant, to build a hospital, and to work in PMK-7 (mobile mechanized construction crew).

Since kolkhozes, sovkhozes, and fruit and vegetable storage facilities do not bear financial liability for the manpower diverted from other sectors, as a rule their managers do not show the necessary concern about efficient use of the work of the persons recruited from outside, about promptly providing them work to do, and about creating the requisite housing and other proper living conditions. For instance, in the 4th quarter of 1985 the workers of the "Moldavidromash" PO worked 24 man-days at Kishinev's fruit and vegetable storage facility, but because they were not promptly given work to do, tools, and for other reasons their worktime losses were about 50 percent. On practically all the farms and fruit and vegetable storage facilities checked the people worked 3-5 hours a day. More than 60 percent of the workers and employees polled at the enterprises and organizations surveyed feel that their work at their place of reassignment was used at a low level of efficiency and unproductively; about half were dissatisfied with the organization of work, the high share of manual labor, and the housing and living conditions.

Shortcomings in the organization of work and slackness in oversight on the part of managers of enterprises, institutions, and organizations resulted in low productivity of work and underutilization of the worktime of workers diverted from elsewhere. For instance, on the farms checked in Andizhan Oblast the quotas in picking cotton were fulfilled at a level of 30 percent on the average by the workers recruited from outside, and on farms in Odessa Oblast and MSSR in harvesting vegetables the level was about 60 percent. At the same time the permanent workers on the farms in, say, Kominternovskiy Rayon in Odessa Oblast overfulfilled the output quotas of the recruited workers 1.8-fold, and their wages were 4.3-fold higher.

The lack of dependence between remuneration at their principal place of work and the level of fulfillment of output quotas in the work to which they have been diverted does not help in raising the labor productivity of the workers recruited from outside. It has become the practice to remunerate the workers recruited to agriculture (except machine operators) and to fruit and vegetable storage facilities higher than the average wage at the place of their principal activity. At the same time cases are not uncommon when they are not paid at all at the place to which they have been diverted. For example, four women workers from the cotton combine worked at Kalinin's fruit and vegetable storage facility from 13 to 31 January. According to the documents they gave us, they worked a full shift, they fulfilled their assignment, and they were paid. In actuality it turned out that they were not credited with wages for the work they did at the facility and it was not possible to establish how much work they did. The data of the survey indicate that the work of about half of those recruited is not paid for in any form. Most of the farms do not maintain economic relations with the enterprises and organizations allocating workers on a cost-accounting contract basis. Nor is there any legal regulation of such relations.

On most of the farms and fruit and vegetable storage facilities checked the tabulations of worktime use of recruited workers are on a low level. Job orders are not always written out, and records are not kept on the work of those who work 1 day. Often the volume of work done and wages are entered just for the last name.

In a number of oblasts of the Nonchernozem Zone of RSFSR, where kolkhozes and sovkhoses experience an acute shortage of labor resources, most of the workers recruited were employed in farm operations during the entire year. For instance, the mechanics Pavlikov and Zhukov, the lathe operator Perminov, and others from the "Ivtekmash" Plant worked more than 200 days during the year on the "Druzhba" Kolkhoz. During 1985 about 160 persons from the Kalinin Cotton Combine were sent as milkmaids to the Kolkhoz imeni Chapayev and the "Vpered" Kolkhoz in Krasnokholmskiy Rayon. Workers from the combine have been working on those farms for several years; for example, on the date of the survey 7 of the 18 milkmaids had been working there between 1 and 5 years. At the same time the permanent workers of those farms underutilized their worktime 10-15 percent during certain periods of strenuous farm work, mainly because of low work discipline. For instance, in 1985 one out of every four kolkhoz members on the "Druzhba" Kolkhoz in Ivanovo Oblast was an absentee. The permanent workers on a number of sovkhoses in that oblast fulfill the output quotas at 87 percent on the average, and the collective job contract is not being sufficiently adopted. Calculations show that if the unused labor potential within the production entity were fully utilized, on a number of farms of the Nonchernozem Zone of RSFSR it would be possible to reduce the manpower recruited from outside by 20-30 percent.

It should be noted that on many farms due attention is not paid to measures to hold the able-bodied population in rural areas, above all young people, nor to create adequate social welfare, living conditions, and proper conditions in the workplace. For example, in Smolensk Oblast this has had the result that over the period 1981-1985 there was a sizable outflow of the rural population,

including 13,000 young people. As a consequence in 1985 an additional 172,000 workers, or 5 times as many as in 1980, had to be recruited for the oblast's kolkhozes and sovkhoses to help in doing farm work.

At the same time experience shows that wherever due attention is paid to improvement of technological processes, to the introduction of progressive forms of the organization of work (especially the collective job contract), to reduction of worktime losses, and to the creation of stable work collectives, the need to attract workers from other enterprises and organizations is practically absent. For example, consistent performance of full mechanization of labor-intensive processes and the introduction of advanced technology for storing vegetables and potatoes at Kurgan's fruit and vegetable storage facility, which was done with the help of industrial enterprises and organizations in the city, made it possible to raise the level of mechanization to 80 percent. Over the last 10 years labor productivity has risen 1.5-fold there, and worktime losses have been reduced by a factor of 1.3. As a consequence the diversion of workers and employees from outside has practically ceased. In BSSR about 150 farms do without the diversion of workers. Skillful organization of production makes it possible for the farms to strengthen their economy, to create pleasant conditions for the work and leisure of the workers, and to hold on to personnel. The spread of progressive forms of the organization of production can also be observed on the sovkhoses and kolkhozes in Omsk, Lipetsk, and other oblasts.

In recent years there has been a unique expansion of the sphere of use of labor of diverted workers. In addition to the now traditional planting of cabbage and potatoes, hay-mowing, and the harvesting and sorting of potatoes and vegetables at fruit and vegetable storage facilities, the beautification of urban areas and construction of various projects have now been added. As the survey showed, these jobs account for about 15 percent of the diversions of workers and employees. Workers are taken away from their principal job to clean streets and squares, to landscape urban areas, to build public buildings, and so on. For instance, under an order from the Promyshlennyy Rayispolkom in Smolensk six persons were allocated on 11 May 1985 from the "Iskra" PO and "Analitpribor" PO for 1 month in order to set up a monument. Between 1 March and 30 April 1985 five persons from the "Iskra" PO alone worked in building a shopping center. Two plasterers, who worked from 17 December 1984 to 1 May 1985, were recruited from the "Analitpribor" PO to provide help in construction of official buildings. In certain cases the workers were taken away from their principal jobs for a longer period of time. For example, on the basis of a decision of the Voronezh Gorispolkom more than 800 workers were taken away from the city's enterprises and organizations, and on the average they worked for 1.5 years on the construction of projects under city management.

The survey showed that help furnished to construction organizations quite often contradicts the economic advisability of taking workers away from production. For instance, on 10 June 1985 the third- and fourth-class electric welders Alikhanov, Muminov, and Khashimov, and also the fourth-class lathe operator and repairman Yermolin, were detached from the Andizhan Machinebuilding Plant of Minstroydormash and made available to the Housing Construction

Combine of UzSSR Minstroy, whose labor force is judged to be adequate at a level of 102 percent. At the same time 69 workers from the housing construction combine were attending conferences, participating in rallies, seminars, and other events not related to production activity.

Frequently people who do not have training in the building trades are assigned to construction projects for a specified period of time. Their work is inefficient, but as a rule they receive material remuneration corresponding to the average earnings in their principal place of work. It has been calculated that the worktime losses of less than a shift for this category of workers is more than 20 percent, and output is only 30-35 percent of the regular workers, yet earnings, combined with the supplement for their principal place of work, amount to more than 200 rubles a month, exceeding in some cases the earnings of a regular construction worker.

The numerous calls to workers during working hours to go to military commissariats and internal affairs authorities are continuing. Military commissariats sometimes call away workers and employees for a lengthy period of time to distribute notices, to compile lists, and to make propaganda posters. In 1985, for example, 10 skilled workers of the Andizhan Machinebuilding Plant were employed in these jobs, resulting in a loss of 350 man-days. The trimmer Parygin, the foundry worker Ofkin, and other workers, whose average monthly wage is 300-350 rubles, worked for 2 or 3 months in the military commissariat. The situation is similar at the Khabarovsk ZhBI-2 Plant and the "Moldavgidromash" PO. Brigade leader Chapas of the Trust "Karagandapromstroy" of USSR Mintyazhstroy was employed several months in repairing and building the offices of the military commissariat.

Military commissariats call people in to turn in their mobilization orders, for correction of records, and to remove them from the military rolls, and quite often they occur in working hours and take a man away from his working activity for the entire day, although there is far less need for him to actually go to the military commissariat, and such procedures could be handled after working hours.

There are unjustified diversions of workers from their principal activity on the initiative of law enforcement agencies. For example, beginning on 15 March 1985 five members of the voluntary people's militia were called away from the Odessa Machine Tool Manufacturing Association of Minstankprom by decision of local soviet authorities to protect law and order and combat petty speculation on the market during working hours every day (for 18 days); on 28 December 1985 an order was issued to the specialized design bureau of the same ministry to make two persons available to be on duty in the city from 0900 to 1600 hours every day for a year.

In spite of the repeated instructions issued by policy-making bodies, many public organizations hold meetings, conferences, seminars, rallies, athletic competitions, reviews of amateur artistic activity and other events during working hours. For instance, under a letter from the Andizhan Oblast Council for Tourism and Excursions the patternmaker Voropayev of a machinebuilding plant under Minstroydormash was freed from work from 31 July to 21 August 1985

to take part in a "Star Race" related to automobile and motorcycle tourism. During the period from February to April 1985 alone many patternmakers, electricians, equipment adjusters, and other skilled workers were called away from the same plant for 8-10 days to take part in a rally of those who have taken tours, in rifle matches, in boxing matches, to seminars related to acceptance of GTO physical fitness complexes, and to play soccer.

One gets the impression that at this point no one is refused a request to make workers available during working hours. For instance, by order of local authorities the Voronezh Machine Tool Building Plant of Minstankoprom was ordered as of 22 April 1985 to send 16 participants in a string orchestra for training and participation in evening ceremonies for 11 days. Under decisions of the Voronezh Oblast Komsomol Committee Komsomol members were sent from enterprises and organizations in the oblast to conduct the seminar of propagandists, a scientific-practical conference, and a bicycle race for the prize offered by the newspaper MOLODOY KOMMUNAR in 1985. Total losses of worktime related to this amounted to 1,215 man-days. On the basis of a decision of the Oktyabrskiy Rayispolkom of Ivanovo the association "Ivtek mash" of Minlegpishchemash was ordered to allocate two persons during working hours to be on duty at the lifeguard station every day from 1 July to 5 September 1985. By decision of local soviet authorities the Odessa "Tsentrolit" Plant of Minstankoprom had to allow workers to leave during working hours to prepare and conduct a flower show.

All of these unjustified and sometimes even utterly unnecessary requisitionings of workers cause great harm to industrial enterprises and organizations as well as to the national economy as a whole. At the enterprises surveyed in 1985 the costs related to diversion of workers and employees from their principal activity amounted to 5.4 million rubles, including 5.1 million rubles to pay the wages which they retain at their principal place of work. It should be taken into account that these various diversions of people from enterprises have a discouraging effect on the collective. And although there are no figures for 1986 as a whole, judging by spot checks which have been made, there is every reason to suppose that the situation with taking workers away from their principal activity has not undergone any essential change.

Everyone has to perform his duties honorably at his own job. Then the need to attract manpower from outside would disappear. It is also time to solve the problem of enhancing the responsibility of the managers of farms and other organizations for the justifiability of requests for additional manpower and for effective use of that manpower. A system has to be set up in which relations between enterprises sending workers and those who use their labor are based exclusively on contracts. It is contractual relations that make it possible to bring back into the planned channel the processes related to temporary reassignment of manpower and to make patronage relations between city and countryside more effective.

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## DEMOGRAPHY

### OFFICIAL DISCUSSES POPULATION GROWTH, MARRIAGE, DIVORCE STATISTICS

Moscow IZVESTIYA in Russian 8 Feb 87 p 4

[Interview by L. Ivchenko with V. Guryev, deputy chief of the USSR Central Statistical Administration (CSA): "Let's Talk About Demography"; date and place not specified; first paragraph is source introduction]

[Text] Periodically published reports by the CSA have become customary. Among the figures of fulfilling the plan, growth in the productivity of labor, national income and other indicators are the conditions of our economic life and the statistics of our social development. In the latest summary, for example, we read: "Demographic indicators have improved. The birthrate has continued to rise. In 1986 births per thousand were 19.9, compared with 19.4 in 1985. A significant reduction in the death rate was noted..." What lurks between the lines of this most recent statistical compilation? What underlying demographic and social processes are going on in the life of society? We asked V. Guryev, deputy chief of the USSR CSA, to discuss this subject.

[Question] Vladimir Ilich, first, how many of us are there according to the latest count?

[Answer] As of 1 January of the current year the population of the USSR consists of 281.7 million people; it has risen over the course of the previous year by 2.9 million--that is higher than during any year of the preceding five-year plan period. Measures adopted for raising the birthrate are having an effect, by increasing assistance to families with children, by preferential treatment in constructing institutions for children and in paying for them, and so on. A trend towards a reduction in the death rate has been noted--9.7 versus 10.6 per thousand people.

This result and strengthening the struggle with drunkenness and alcoholism has particularly sharply reduced the death rate from accidents. For the first time in the past ten years there has been an increase in the prospective life span--to age 69.

[Question] What do you mean "prospective"?



[Answer] That is, the life span of the generation just born under existing conditions will average 69 years.

[Question] You have said that the demographic situation is changing for the better. But how many persons at the present time are unmarried? According to the 1979 census, there were 11 percent--not a small figure.

[Answer] We do not have that data yet--the next census is still in process and due to come out in January 1989. But there are now more than 70 million families in the country, and 2.7 million marriages are recorded each year. More than 80 percent of the women and about 70 percent of the men remain in their first marriage for 25 years--that is 10 percent more than 20 years ago. Marriages are being rejuvenated.

[Question] Is that good or bad?

[Answer] It's good. After all, the family is one of the most important organic cells of society, playing a leading role in raising the population and in educating the population that is growing up.

[Question] But you specified "in their first marriage." Is the number of divorces also growing?

[Answer] We have 900,000 divorces registered annually. That is a great many, but it by no means indicates that every third family disintegrates. After all, not only those who get married in a given year get divorced--less than 3 percent of them do--but those married earlier are in the overwhelming majority. In 1985, for example, two-thirds of the divorces involved those who had been married for more than 5 years. The divorce rate must be examined in relation to the total number of married couples. Then 1.4 percent is obtained--that is, how many of us are divorced each year. That is more than in 1959, but less than in 1979. Incidentally, 2.2 percent of the married couples in the United States get divorced annually.

A portion of the divorces are compensated for by repeat marriages; more than a million men and women married one another for a second time in 1985. Men have far greater chances of creating a new family: 10 years after the death of a spouse or divorce, more than half of the men had entered into a new marriage, whereas only 25 percent of the women had remarried.

[Question] Why? Isn't the reason that basically a woman has no place to meet acquaintances? Work, home--that's the entire round of life.

[Answer] In the first place, the chances go down for women left with children. In the second place, there is no place at times for such people to meet, to find spouses.

[Question] And what do you have to say about dating services? How necessary is this form of social assistance for those who want to create a family?

[Answer] This kind of service is needed for people of the older generation. After all, at such an age a family even of two persons is a great blessing. I view with skepticism, however, its being of help to the young; the young prefer to meet one another naturally, for love to them is first and foremost. There is no shortage nowadays of men and women of marriageable age. There are 103 men for every 100 women between the ages of 20 and 30, and there are 98 men for every 100 women between the ages of 30 and 40. It is true that in certain cities and rayons disproportions arise which impede the formation of families. Such are cities with developed light industry, which means there is a population predominantly of women, or on the contrary cities of metallurgists, miners, and All-Union construction projects where men predominate.

[Question] Can this be prevented? If so, how?

[Answer] A planned balance is on the whole being attempted right now. Gosplan, in determining sites for industrial enterprises, provides for an approximate equality between "male" and "female" work assignments. For example, in Ivanovo Oblast, traditionally a textile region, in the last few years they have built (in the city of Privolzhsk) a machining plant; in Kineshma capacities have been introduced for the production of automobile spare parts; and in Komsomol and other enterprises, facilities have been set up to produce electrical equipment for the Kranelektroapparat Plant.

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## RAIL SYSTEMS

### MEASURES SUGGESTED TO IMPROVE STATUS OF RAILCAR SECTOR

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[Article by G.K. Senderov, candidate of technical sciences, and P.R. Losev, engineer: "Urgent Problems of the Railcar Sector"; first paragraph is ZHELEZNODOROZHNIY TRANSPORT introduction]

[Text] Sverdlovsk-Chelyabinsk--The steady operation of our country's main rail routes and the successful haulage of freight and passengers are largely determined by the physical condition of the railcar fleet. This article examines a number of important problems of ensuring reliable and safe railcar operation in the face of the ever-intensifying utilization of rolling stock.

The tasks of the railcar sector in the shipping process are clearly stipulated. The workers of this sector are called on to provide, in a timely manner and in the necessary volumes, serviceable railcars for loading and safely transporting freight, as well as to prevent disruptions in train operation due to railcar equipment malfunctions. These tasks, which are important for the transport sector, are accomplished by a series of measures, the main ones of which are: improving the reliability of new railcars, modernizing those already in service and improving the system of rolling-stock service and repair. We will discuss in more detail what has already been done and what remains to be done in these directions in order to ensure stable operation of the railcar fleet.

Presently, the railcar fleet is based on all-metal, 4-axle railcars with an average load capacity of about 65 tons. High-productivity specialized railcars make up about 14 percent of the fleet. All rolling stock is equipped with automatic couplers, automatic brakes and reliable TsNII-KhZ trucks, which permit speeds up to 120 km/hour. About 70 percent of railcars have been converted to roller bearings, and this work is to be completed in the 12th Five-Year Plan. Corrosion-resistant steels such as 09G2D, 10KhNDP etc. are widely used in railcar manufacture. The replacement of wooden sheathing with metal and the replacement of roofing iron with sheet steel on boxcars have greatly improved the reliability of railcar bodies. Car frames have been strengthened considerably; these frames are now designed for a load of  $\pm 250$  tons (force). The implementation of an automatic regulator for brake-cylinder rod travel, new No 483 air distributors etc. has provided considerable savings.

In recent years, the railcar repair base has been strengthened considerably: plants, railcar depots, technical service stations and other subdivisions of the railcar sector now renovate rolling stock. The implementation at repair enterprises of high-capacity cranes, hydraulic straightening machines and modern tooling for truck, wheel and other sections makes it possible to more actively convert scheduled maintenance work to the progressive production-line method. The achievement of better-quality, faster railcar servicing has been aided by the use of Donbass railcar repair machines, repair installations, hot-box detectors in moving trains etc. The system of periodic repair and maintenance of railcars is being improved constantly. Much has been done in the area of preparing highly skilled specialists for the railcar sector.

However, an analysis of sector performance shows that the measures taken still have not had the necessary effect. The number of car malfunctions and failures; the number of resulting train delays, uncouplings of railcars from made-up trains and operating defects and the appearance in the fleet of so-called "limitedly serviceable" railcars, which can't be used for loading and which are shuttled from station to station, are continuing to remain at high levels and are even increasing. In our opinion, this situation is due to the fact that the work done to improve railcar design and to strengthen the repair base does not fully take into account the rapidly changing operating conditions: the great increase in the intensity of railcar-fleet utilization, higher axle loads, greater train weights and speeds, the intensification of sorting and switching work etc. The level of mechanization of freight-handling operations has risen sharply. Now over 95 percent of railcar operations are mechanized. This work is done with high-capacity excavators, clamshell cranes, car dumpers and various types of vibrators, loaders, unloaders and other devices. Often, these devices are designed without consideration of the distinguishing strength and design features of railcars, and thus they often cause massive damage.

All these and many other factors related to the intensification of shipping are making much greater demands on the railcar fleet. Therefore, these factors must be fully taken into account in the design, manufacture and maintenance of railcars.

#### Improving the Railcar Fleet

Based on average service life, the railcars now being built will be in service after the year 2000. Therefore, among the most important tasks are to improve the reliability and repairability of new railcars and to make them suitable not only for present, but also future, operating conditions. In our opinion, the main reliability criterion in the development of new railcars must be to make railcar manufacturing costs equal to the service and repair costs over the entire service life. This requirement is not being met now. The total actual repair and service costs for railcars exceed the manufacturing costs by three- to four-fold.

In order to equalize these costs, on the one hand, railcar reliability and design must be improved, while on the other hand, rational service lives must be established. Certain steps in this direction have already been taken: the service lives of railcars have been revised. However, cars are

practically never removed from the inventory after the end of their service lives. In our opinion, railcars built before 1964, which fail most frequently, should be gradually removed from service. With the exception of the best-maintained flatcars and certain types of tank cars, these cars, depending on their technical condition, should be transferred to industry or eliminated from the inventory in the next few years, compensating this loss with the delivery of new railcars.

Railcars built in the period 1964-1984 can be efficiently modernized to improve reliability and, correspondingly, to increase car strength to modern levels. It's time to raise the development of railcar modernization projects to a new level, assigning this task to the railcar manufacturing industry and assigning expert functions to PKB [Project-Design Bureau] TsV [not further identified]. Modernization projects should be developed within 5-6 years of the start of commercial railcar production and, necessarily, with each new edition of Railcar Strength Calculation Norms.

The main ways to improve the design and reliability of individual types of railcars are determined from the railcar-failure statistical analyses which are regularly performed by the reliability groups of PKB TsV and VNIIZhT [All-Union Scientific-Research Institute of Rail Transport]. These data show the following.

**Boxcars.** The situation with these cars is now especially unfavorable. Every boxcar undergoes routine uncoupled repair an average of 5-6 times. This is mainly due to door malfunction or loss and floor problems. Various roof and sheathing damage and broken posts are also observed. It has been determined that the door-hanging design must be fundamentally changed to eliminate damage and loss and to permit doors to be opened and closed by hand. The floor strength must also be increased considerably by using wood-metal flooring and replacing wooden sheathing with metal. The end walls require special reinforcement; the strength of the upper sheathing of these walls must be increased by 40 percent, and the strength of the posts increased by 45 percent. The strength of door posts must be increased by about 50 percent, that of pivot posts and door jambs by 25 percent and that of roof beams by 10-75 percent.

**Gondola Cars.** The main causes of failure of gondola cars, which undergo maintenance an average of eight times a year, are door failure or loss and breakoff or breakage of posts and hatch covers. These account for about 50 percent of all failures. The following must be done to eliminate these defects: 1) increase by about two-fold the moment of bending resistance of end walls and doors; 2) provide metal sheathing for all car bodies and 3) continue work to reinforce post-mounting assemblies and improve the reliability of hatch covers and locks.

**Flatcars.** Each flatcar undergoes maintenance about 3 times, including for floor problems in nearly 40 percent of the cases and for side damage in 10-11 percent of the cases. The number of floor problems continues to increase, while the number of side problems is decreasing, as wooden sides are replaced with metal. The completion of this work, as well as the transition to wood-metal floors, will sharply reduce the number of flatcar failures.

All Types of Railcars. Failures due to different types of undercarriage problems and especially problems with automatic couplers and automatic brakes were characteristic of all types of railcars and tank cars. Thus, the increase in train weights and the lack of a normative service life for automatic-coupler bodies have led not only to an increase in the number of railcar disconnections due to malfunctions, but also to an increase in the number of serious defects and train delays and to the accumulation of a large number of cracked coupler bodies in the working fleet. Calculations show that coupler-body tensile strength must be increased by 20-30 percent and service life must be limited to 17-18 years. The wear-resistance of brake blocks and the repairability of the shoe/brake-block assembly must be improved. The initial force for cotter-pin removal should not exceed 10-12 kg, and after shearing, the cotter pin must be able to be extracted by hand without the use of any tools.

Brake reliability must be improved by more securely fastening the brake devices and by using polymer seal materials in threaded connections. It is also important to accelerate the task of providing the fleet with automatic regulators for brake-cylinder rod travel and the tasks of developing and implementing reliable automatic operation.

Noteworthy is the recent reduction in failures caused by galling of wheel-pair axle journals and the reduction in box overheating in connection with the reduced number of box assemblies with friction bearings. Also noteworthy is the reduction in malfunctions of automatic couplers because of the introduction of more reliable self-release preventers.

All the measures aimed at improving car reliability must be reflected in the norms for calculating and designing cars and in other technical documentation. In our opinion, norms for different types of cars should be differentiated. For example, gondola cars are used more intensively than other cars, while the calculated loads for them are the same as for other cars. The distributions of maximum tensile and compressive longitudinal forces on gondola cars through the automatic coupling are taken to be identical. The unevenness of car loading, among other things, is not taken into account. All this leads to a situation where gondola cars suffer more frequent breakdowns than other types of cars, including breakdowns in pin assemblies, frames etc. This situation cannot be considered correct. In our opinion, for example, the normative longitudinal load for gondola cars under the first design operating condition should be increased to 400-450 tons (force). Incidentally, in connection with the increase in the load capacity of cars and the operation of heavy and long trains, the calculated longitudinal loads for other types of cars also should be increased.

The design floor loads for boxcars and flatcars must also be increased, and the vertical dynamic coefficient to the static load from loader wheels should be made equal to 2.2 instead of 1.2. The general testing program for freight cars, particularly flatcars and boxcars, should include a required floor-strength test, as is the practice in a number of foreign countries. Increasing the design-load norm and performing tests will greatly improve the reliability of floors and reduce failures caused by floor problems.



In order to prevent boxcar damage, the norms must include requirements that cars be equipped with freight-securing devices and that permissible car loads must be established. The design-norm requirement for permissible door-opening force must be clarified. Instead of specifying that doors designed for hauling grain must be able to be opened by one or two people, it should be specified that all boxcar doors must be able to be opened (or closed) with a force of not more than 16 kg. Because this requirement is not being met for new or repaired cars, various types of equipment must be used to open the doors during operation, which causes massive damage to the doors.

Design norms should be introduced for flatcar sides to take into account the concentrated loads which occur when load-handling equipment travels over them. The additional work in setting up ramps to load (or unload) handling equipment increases the idle time of trains during freight-handling operations and reduces the availability of load-handling equipment. Violations are occurring in this regard: namely, equipment is driven on and off without using ramps, which damages the sides.

A progressive development is that the new norms for calculating and designing cars now specify shock-absorbing devices which permit a car collision speed of 9 km/hour instead of the 7.5 km/hour specified in the old norms. However, even this new speed does not take into account the actual situation. After 8-10 years, the collision speed in practice is about 6 km/hour with a standard deviation of 2 km/hour. Therefore, taking into account the standard deviations, cars should be designed for a speed of 10 or even 12 km/hour. It is incorrect that all the calculations in the recently issued Specifications for the Placement and Securing of Freight are based on a collision speed of 5 km/hour.

In order to evaluate and select ways to improve car reliability, it is important that publicity work be improved. As a 1985 analysis showed, there are a large number of failures in new cars (which have not yet undergone planned repair) involving such problems as broken mains and connecting pipes, cracking and bending of the automatic-coupler body etc. However, there is practically no publicity on these problems.

Of special note is the possibility and necessity of improving car reliability by the more extensive use of polymer materials in car construction. This would greatly reduce the volume of repair and service work.

#### Repair and Servicing

The present system of car servicing and repair is based on the results of scientific research and in general is progressive. However, it does not fully conform to the changing operating conditions for railcars and needs to be improved.

Above all, the frequency of repair of cars and their main assemblies, as established during the development stage and as specified in the standards, must be identical to that in force on the railroads (provided by order No 32Ts). For example, the standard for trucks (GOST 9246-79, para. 2.30) established that the first overhaul period for truck spring crossbeams and truck side frames is 8 years, while the overhaul periods for most cars

according to order No 32Ts and the railcar GOSTs are 10 years or more. Obviously, the reliability of these truck elements and, correspondingly, the specified service lives for them, must be increased. Here's another example. According to GOST 10935-82, the first overhaul period for boxcars is 14 years, while the guarantee period for the all-metal support structure of these cars is 7 years and that for crossbars and posts is 4 years. As can be seen, these are 1/2 to 1/3 of the overhaul periods for these cars.

On the other hand, scientifically based and approved planned maintenance periods must become law, and any deviation from them should be considered as a detriment to the technical condition of the fleet. Cars which can't be taken in for planned maintenance on time should be taken out of service. The quality of maintenance would be improved by introducing a single sector standard for evaluating the quality of repaired cars; the introduction of this standard has been delayed unjustly. (Footnote 1) (See ZHELEZNODOROZHNYI TRANSPORT, No 10, 1981.)

The car-repair base must be further improved in accordance with the following directions, which have already been formulated and which are well proven: narrowing the specialization of enterprises to the repair one or two types of cars; implementing production-line repair with three to five stations, setting up two or three cars simultaneously at each station; developing preparation-cleaning sections and completely mechanizing and automating work in individual repair sections. Standardization of rolling stock and its elements will help accelerate the implementation of industrial labor methods at repair enterprises. It is impermissible that there are 6 types of universal boxcars, 22 types of flatcars and about 40 types of tank cars now in service, while the number of different distinguishing design features is several times greater. This makes repair much more complicated.

An especially important problem is to improve the maintenance of those freight cars which require the greatest portion of the labor and monetary expenditures. The main goal of improving the maintenance system is obvious: to ensure the uninterrupted movement of trains with maximum reductions in labor and material costs for train servicing. To this end, active work is now being carried out at the Urals Department of VNIIZhT to implement various automatic monitoring (diagnostic) devices, devices for mechanizing and automating repair work, progressive technologies etc. However, in our opinion, increased attention must be given to one other important way of achieving this goal. This is to improve the reliability and viability of car parts and to implement a strictly limited service life; maintenance on parts and assemblies could be totally or partially eliminated during the overhaul period. During the first stage of this effort, maintenance could at least be eliminated between servicing at preparation stations.

During the railcar design and testing stage, not only reliability must be calculated and tested, but a maintenance and repair system must be developed and refined as the reliability of transport equipment improves. If the normative-technical documentation would obligate manufacturing enterprises to indicate the periods, volumes and labor content of repair and to list the specified work-content and frequency of maintenance, this

would make the plants more responsible for these characteristics and for product quality and would help increase the reliability and repairability of cars. It must be admitted that as the customer, the Ministry of Railways still does not require the plants to include any indicators for repair and servicing not only in the standards, but even in the operating instructions for cars and their assemblies.

The general directions for improving car reliability must be: 1) the clear specification of service lives for individual railcar parts and assemblies and 2) making these service lives as close as possible to car service life (or multiples thereof). This will sharply reduce the list of assemblies and parts to be checked. Presently, according to the existing standard maintenance procedure at PTO's [maintenance stations], 199 parts and elements on the cars must be checked at 15 stations, which is practically impossible. Already noted was the need to limit the service life of automatic coupler bodies. If that was done, the coupler bodies would not need to be checked at sorting-yard PTOs. The situation is similar with cast truck parts, wheel-pair elements etc.

As was already noted, the level of repairability of cars should be raised. Car design should provide for centralized brake release in arrival yards, automatic uncoupling and coupling of hoses, regulation of load conditions, regulation of the brake-cylinder rod extension and mechanization of other high-volume and labor-intensive work. An air distributor which does not provide for centralized brake release cannot be considered satisfactory. Obviously, the automatic coupler body must be provided with a window to allow the condition of the mechanism to be monitored with instruments or visually, without having to use a special wrecking bar for access. It is especially difficult to inspect the automatic coupler on two adjacent flatcars, since the clearance between the end-wall support brackets is extremely close and it is impossible to get between them. This not only makes it more difficult to perform the work, but also does not conform to safety requirements, causes injuries and causes inspection-procedure violations.

In our opinion, improving the level of car maintenance will allow some car depots in bulk-loading and -unloading yards, as well as in certain sorting yards, to be converted to car maintenance, with the organization of uncoupled maintenance and preshipment preparation. This experience has proven itself well at the Georgiu-Dezh Station.

A significant step toward improving car maintenance was the development and implementation of the ASU-PTO [PTO automated management system] at the Chelyabinsk Station of the South Urals Railroad. The implementation of the automated system and the establishment in the preparation station of specialized, well-equipped tracks for uncoupled car repair not involving lifting or straightening work made it possible here to significantly reduce train departure delays and, as a consequence, reduce the idle time of cars for repairs and to use more efficiently the repair equipment and labor resources. This method must be more actively implemented at sorting yards.

Wireless radio communications must become more widely used in servicing cars. The experience with portable radios at the Sverdlovsk-Sorting PTO

and a number of other PTOs and research at the Urals Branch, VNIIZhT showed that radio communications ensures high-quality inspection and reduces train idle time and delays. Especially effective is the use of radio communications at PONAB [not further identified] instrument stations, since allowing inspectors to transmit information by radio greatly reduces the idle time of trains while PONAB readings are checked.

As was already noted, a large reserve for improving railcar inspection and preventing malfunctions is the use of various instruments and diagnostic means and the selection of efficient locations for them. In our opinion, devices for monitoring wheel-tread wear and vertical undercutting of the wheel flange ridge, as well as for detecting such defects as metal burned onto the wheel rim, must be installed before the preparation stations. The use of the DISK-BKV-Ts apparatus for evaluating the technical condition before entrance into sorting or section yards must be promoted; large preparation stations for preparing cars for shipments must be activated. It is also important to accelerate the implementation of the following diagnostic devices into the DISK-BKV-Ts system: instruments for monitoring the proper operation of shock-absorbers and automatic-coupler mechanisms, instruments for determining improper car-body clearances etc. The leading experience of the Kurgan, Georgiu-Dezh and other PTOs of using PONAB instruments for diagnosing axle-box assemblies should be widely implemented.

The solution of many of the problems discussed in this article requires the urgent cooperation and close interaction of railroads and railcar manufacturers, based on mutual exactingness, responsibility and interest in the development of reliable cars which meet present and future operating requirements and in the development of an efficient system for maintaining these cars.

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## MARITIME AND RIVER FLEETS

### CHIEF ON NEW ASTRAKHAN MARITIME PRODUCTION ASSOCIATION

Moscow VODNYY TRANSPORT in Russian 10 Jan 87 p 1

[Interview with P. Ronzhinyy, chief of the Astrakhan Maritime Transport Production Association, in Astrakhan, by V. Meshalkin, VODNYY TRANSPORT correspondent: "The First in the Sector"; date not given; first two paragraphs are VODNYY TRANSPORT introduction]

[Text] A Maritime Transport Production Association, under the direct jurisdiction of the ministry, and with no analogy in the sector, has begun functioning in Astrakhan. It was created, as was noted in the order, "for the purpose of further reducing the number of administrative objects and centralizing the production and management functions in the primary unit, as well as making the administrative apparatus simpler and less expensive."

Our correspondent converses with P. Ronzhinyy, chief of the association.

[Question] Petr Ivanovich, the formation of the APO [Astrakhan Production Association] is a reorganization being carried out while in operation, and expressing the urgent needs of the local subdivisions of the maritime fleet. Our newspaper has already spoken of the fact that it actually came to a head precisely in Astrakhan. It was a question of the need to seek new approaches in organizing economic activity within the framework of subordination to the Caspian Shipping Company.

[Answer] Really, it is a fundamental reorganization. The local administration of the maritime fleet, the Ship Repair Yard imeni 10th Anniversary of the October Revolution and the Caspian Harbor Administration of Sea Lanes "detached themselves" from the shipping company and entered the association, as was said in the order, "by merging." The local repair-construction administration (RSU) was reformed into its production unit. The Astrakhan Torgmorts office, the nautical school and the local cargo section of the Bautino commercial seaport are under the jurisdiction of the association.

These, very roughly, are the outlines of the reorganization. Its essence lies in the completely different bases of the economic operation. The APO is, above all, the achievement of the aims which, as was quoted above, the order itself forms. Several Astrakhan administrative objects, as we can see, are "focused" into a single--association. It, being the primary unit, is the very thing to centralize all their production-management functions, making the administrative

apparatus simpler and less expensive. Really, with the withdrawal from the shipping company, it is as if the APO bypassed the intermediate supervisory authority. The need to maintain inflated administrative staffs passes away with the elimination of the former appanage of auxiliary structural subdivisions.

One marvels when one thinks how thoroughly the maritime fleet administration, the plant and Kaspreydmorput were "cluttered up" with the latter--three motor pools and just as many technical service bases for the fleet, individual service and auxiliary "flotillas", independent RSU and repair and construction groups. Concentration of their fixed capital, by consolidating the capacities of each of the services, will make it possible to discard everything superfluous and obsolete. There will, of course, be a return from pooling the specialists, as well.

[Question] From the first days of its origin, the APO, just as the entire sector, converted to full cost accounting and self-financing. Are the Astrakhan workers ready for such an essentially dual reorganization?

[Answer] It is difficult to answer unequivocally. There have been no associations like ours in the sector before, and it, one may say, is of an experimental nature, although, in our opinion, the APO, under the specific local conditions, is exactly the most appropriate form of organization for the transition to full cost accounting and self-financing.

Really, our production association, upon closer examination, is an enterprise created for the first time in the sector, as they say, with a closed production cycle, capable of providing for itself fully from beginning to end--namely: of repairing ships and guaranteeing the lane clearances necessary for navigation and, finally, delivering the cargo. In the future we will even build the ships for ourselves.

A single bank account and a single wage fund create the conditions for flexible organization of labor and the broadest plurality of positions held. Let us assume, for example, a combination of the repair and operational functions. Our crews will not be on-lookers, but most active participants in the repair of the ships. Here we will go beyond the river port workers and will begin to organize combined repair brigades made up of the sailing personnel and the plant workers.

In practice we will approve everything new and non-traditional. We base our optimism on confidence in the effectiveness of the levers of full cost accounting. After all, the material well-being of everyone depends on the common income, which will come only with the final result--the trouble-free work of the fleet and increase in turning over shipbuilding projects. Delays in the repair and procrastination at the building slip will hurt the interests of each APO worker.

[Question] The optimism of the association's directors is understandable. I have, however, had occasion to hear the opinion of skeptics. Some people think that reorganization is "advantageous" only for the maritime fleet administration, which is solving the problems almost at the expense of the plant and Kaspreydmorput.



[Answer] The association is advantageous to everyone. It will help the plant to reinforce the weakened shipbuilding sector and will overcome the consequences of many years of lagging behind, I think that the acute problem of dredger personnel will be solved within the framework of the APO, both by drawing the sailing personnel from the transport ships and as the result of a real possibility appearing to introduce the special-duty method of work, which has already been tested by our transport workers.

With the formation of the APO and the transition to the new wage conditions, the possibility is offered and the interest appears for a considerable decrease in the staffs of engineering-technical personnel and line specialists. We will release approximately every 10-12th worker, in all more than a hundred people. This is a weighty argument, given the present general personnel shortage.

[Question] Petr Ivanovich, the most difficult problem of reorganization is transferring to the balance of the Caspian Shipping Company all the dry-cargo ships and tankers of the local maritime fleet administration and transferring their crews, made up of Astrakhan seamen, to work in the shipping company. A proviso is made in the order for the transfer through special measures, called up in detail, which designates that, to safeguard the interests of the people, they be neither materially nor morally injured. You would not call the mood of the Astrakhan sailing personnel elated, however.

[Answer] The technical fleet--dredgers, which are needed, first of all, to maintain navigation in the Volga-Caspian canal--is becoming basic for the APO. Only three powerful tugboats and a large-tonnage dry-cargo barge and service-auxiliary ships are left to the association. This is not enough even to ensure the local cargo flows. Meanwhile, when the record for the conditions of reorganization was signed, a proviso was made for the APO to have the right to interoblast transport according to the request of the consigners.

The opinion of the shipping company on the inexpediency of "splitting up" the fleet gained the upper hand, however. In short, the shipping company did not want to share even a little with the APO. We are turning over to them not only nine essentially modern tankers, but also three old dry-cargo ships that are working out their last years.

This is the order. It is not, as they say, open for discussion. The complex and at times contradictory process of reorganization, however, does not, it would seem, lend itself to unequivocal regulation, for real life does not always fit into impeccable schemes and structures.

The mood of the Astrakhan sailing personnel from the ships turned over is evidenced by an individual inquiry, which showed that the absolute majority of the people wanted to remain in the APO. Meanwhile, the shipping company, not having the necessary reserve of sailing personnel, is not in a position to provide the fleet that it has taken on with complete crews. You know, we, considering the mood of the crews and the possibility of this inadmissible turn of events, proposed a compromise solution to the shipping company, on turning over the fleet gradually. Its essence lies in attaching transport ships, manned by Astrakhans, to the APO and turning them over to the shipping company for operation on contractual bases and according to the schedules agreed upon.

The answer from the shipping company, however, was a categorical "no." This categorical attitude, as we know, is really contraindicated for a search for new approaches and decisions. Looking into the future, of course, we think of the fact that the APO circle of activity will in time widen and acquire the necessary fullness, when, along with dredging, ship repair and shipbuilding, transport operations will become a major, not a minor activity for us.

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## MARITIME AND RIVER FLEETS

### DEPUTY CHIEFS ON BALTIC SHIPPING COMPANY PROBLEMS

#### Operational Difficulties

Moscow VODNYI TRANSPORT in Russian 27 Dec 86 p 2

[Article by V. Khomutov, deputy chief of Operations of the Baltic Shipping Company: "We Did Not Cope With the Task"; first paragraph is VODNYI TRANSPORT introduction]

[Text] A difficult economic situation formed in the Baltic Shipping Company this year. Our correspondent asked the deputy chief of operations of the shipping company to tell why it happened.

"The year is ending, and it is obvious to all of us that the shipping company will not fulfill the year's plan for basic economic indicators. Why? There are several reasons. Chief among them, in our opinion, are the shortcomings in planning, the increasing age of the fleet and the conditions on the international freight market, which have grown complicated. As a result, it has turned out that the collective of the shipping company overfulfilled all the volume indicators for the fleet operations, but as far as income--alas! In nine months of this year the shipping company lost a considerable sum of income. To give credit to the collective, it should be noted that, by using various internal reserves and activating work, we managed to reduce to the minimum possible the losses caused by the change in the conditions of navigation and the freight market. But, however bitter it is to acknowledge it, the year's plan for income and profits remains unfulfilled.

"These opinions are heard now too: the Baltic Shipping Company was working under new conditions of economic operations during the year. What, you were not aware of this? We were. We felt that the shipping company obtained great independence in solving operational problems. The employees of the central staff of the USSR Ministry of the Maritime Fleet have stopped harassing us, for example, on questions of guiding the movement of the ships and stopped annoying us with petty guardianship. True, it cannot be said that this guardianship has now ceased to exist completely.

"Since January the sector has been converting to the new methods of economic operations. The work collectives are being given a great deal of independence,

and this is inspiring. At the same time, however, we realize that full cost accounting and self-financing are by no means manna from heaven. Many difficulties can be seen, and the approach to overcoming them must be well-grounded.

"First in importance is the difficulty of ensuring loads for our tonnage. About 62 percent of the shipping company's fleet operates on fixed routes, and because of this we are, unfortunately, very dependent on the freight market conditions. What can we do to offset this? First of all, we reduce the ships' idle times, both in foreign and in Soviet ports, and reduce all types of expenditures. We increase the safety and quality of cargo transport and introduce modern technology into transport. Behind all this are, first and foremost, daily stepped-up operational and educational work in all the units and a radical improvement in work on the selection and placement of the fleet personnel.

"There is one more problem, and by solving it, we think that sizeable loads can be ensured for our fleet. This is the problem of empty runs. The point is, that we transport up to approximately 60 percent of the cargoes for the Ministry of Foreign Trade. Now let us see who will carry them, let us say, in the Baltic basin? There are four maritime shipping companies--the Baltic Shipping Company, the Estonian Shipping Company, and the Latvian and Lithuanian shipping companies. We must not dismiss the fact that two more maritime shipping companies--the Murmansk and the Northern--are also drawn to the Baltic.

"Today vessels of all these shipping companies operate in practically parallel directions. It turns out that a Baltic Shipping Company vessel goes fully loaded in one direction, but in the other--almost on ballast. In this direction of operation, a vessel of the Latvian Shipping Company goes there almost on ballast, and on the return--loaded. Under the conditions when in the North-Western basin alone, unloaded tonnage constitutes over 100,000 tons a year, a way to combat ships' ballast runs must be sought more quickly.

"It seems to us that the solution to the problem lies in having each of the shipping companies mentioned carry out transport of a specific nature in the basin. Let us say, one of them can serve the line transport, another--can transport bulk cargo, another--engage in passenger transport, etc.

"Of course, before making such a decision, the situation in the basin must be analyzed from the standpoint of the specialization of the existing fleet. The vessels of different shipping companies should not interfere with each other, and therefore, specialization must in this case be considered not according to the principle of "every one gets his punishment", but according to the best use of the transport capacity of motorships of a certain type.

"The increasing age of the fleet also alarms us greatly. It is not the fault of the shipping company or the Ministry of the Maritime Fleet that our shipbuilding industry can still not provide for the ever-growing demands of maritime transport for new, modern ships.

"In the difficult economic situation that has developed with respect to fulfillment of the planned assignments by the shipping company, this point must be examined. Have we ourselves done everything to enable the collective to function

better and more efficiently? No, we have not done everything. This thought was clearly expressed at the recently held meeting of the party-economic aktiv of the shipping company.

"There is no need to go over the quite self-critical report given at the aktiv by V. Kharchenko, chief of the shipping company, and the speeches in debate. It must be noted, however, that many directors of the shipping company's services and subdivisions were justifiably criticized. The fleet's accident rate is high and there are examples of unsafe transport or loss of part of the cargo. Labor and performance discipline is not high enough, and unfortunately, fleet commanders were named among the various transgressors.

"One more problem which, one way or another, affects the results of the fleet's operations, disturbs us. It has become a sort of vogue to reduce the size of the ships' crews to an infinitely small number. We wish to warn against this passion. After all, scientists proved long ago that it is impossible to obtain a maximal economic effect with minimal input, and that these two problems must not be solved simultaneously, particularly in marine transport. A further reduction in the crew numbers will inevitably lead to a deterioration in the quality of ship maintenance, and we have no right to permit this. Under the conditions of the coming operations with full cost accounting and self-financing, this would be simply ruinous.

"To be sure, not everything expressed above is indisputable. Yet reorganization requires constant seeking, new approaches and a re-examination of the old methods, concepts and views that have formed. This process is complicated, and there are difficulties entailed in it. There is no doubt, however, that the collective of the Baltic Shipping Company will be able to find the strength to cope with the tasks that have been set for it."

#### Financial Difficulties

Moscow VODNYI TRANSPORT in Russian 17 Jan 87 p 1

[Interview with G. Toporov, deputy chief of Economics of the Baltic Shipping Company, by V. Yeliseyev, VODNYI TRANSPORT correspondent: "It Was Not an Easy Year"; date and place not specified; first paragraph is VODNYI TRANSPORT introduction]

[Text] All last year the Baltic Shipping Company operated under the conditions of an economic experiment. G. Toporov, deputy chief of economics of the shipping company, tells our correspondent V. Yeliseyev, how it went and what it revealed.

Toporov: It was not an easy year for our collective. Nevertheless, the experiment taught us a great deal and made us ponder over many things. It taught us to fulfill the contracts and commitments through which we were associated with the consigners. In 1986 we concluded direct agreements with foreign trade associations for the first time, and moreover in large volume--67 percent of all shipments.

The new conditions of economic operation have made the collective adopt a number of organizational, commercial and other measures directed toward increasing the efficiency of using the fixed capital of the shipping company and, above all, of the fleet. As a result, in 11 months of last year, the shipping company fulfilled the plan for cargo transport, in tons, by 118 percent. The fleet's labor productivity increased by 7 percent. The nonproductive idle times of ships in Soviet ports were reduced by a factor of three. Through better use of tonnage, we ensured a 13 percent increase in cargo turnover as compared with 1985. But....

VT [VODNYY TRANSPORT]: But, despite the definite efforts of the collective and the stepped-up operations, and the overfulfillment of the planned assignments for a number of items, on the whole the shipping company did not fulfill the financial plan for the year.

Toporov: Yes, unfortunately, the shipping company did not fulfill the planned goals for income and profit, for external reasons and for internal ones. I shall speak only of the main one. This is the fleet's accident rate. The loss of the passenger ship Mikhail Lermontov caused the shipping company 6 million rubles in damages. After this incident, moreover, the accidents did not cease. Through the fault of our navigators, the motorships Vyborg and Mekhanik Yevgrafov ran aground. These were also appreciable losses.

Among other internal reasons, I would name the reduction in the fleet's operational efficiency on several routes and directions and the increase in currency outlay for certain items, particularly for operation of the container park.

VT: Since January the entire sector has converted to full cost accounting and self-financing. What has been done in the Baltic Shipping Company to begin work successfully using full cost accounting and self-financing?

Toporov: A program has been implemented to train the shipping company personnel in a system of economic and political enlightenment, with an explanation of the significance of the transition to full cost accounting and self-financing. The party committee has authorized propagandists, and they will be trained in a separate program.

Responsible personnel from the economic services have been attached to each enterprise of the shipping company to give practical assistance at the work places. Supervisory personnel have been attached to the ships for these same purposes. Methodological manuals have been issued. A display stand with materials for the propagandists has been set up in the office of political enlightenment and economic education of the Baltic Shipping Company party committee. Personnel from the economic services have taken a direct part in working out normative documents. The shipping company is reviewing the administrative structure.

VT: What are the basic tasks of the shipping company's collective in 1987?

Toporov: First of all, fulfilling the planned assignments and socialist commitments and overcoming the lagging behind which we permitted last year.



Despite the decrease in tonnage for the fleet (it occurred because of writing off old ships), we must ensure the transport of growing volumes of cargo. This will be possible only through better utilization of the existing fleet, as well as all the potentials incorporated in the new ships (in 1987 the Baltic Shipping Company will obtain six new ships), and through widescale introduction of transport-technological systems. Of course, all the production reserves will be actively included in the work, and the labor, material and financial resources will be spent economically.

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